

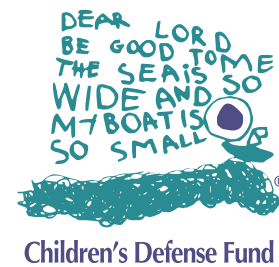


Children's Defense Fund Texas

IN HARM'S WAY



True Stories of
Uninsured
Texas Children





We express our heart-felt gratitude to the **courageous** families who told their stories with the hope of protecting the **children of Texas** who **cannot speak, vote or lobby** for themselves. May our leaders listen to these stories. May they **listen and act**.

DELAYED



DENIED



Devante Johnson 1993-2007

DEDICATION

This report is dedicated to the memory of Devante Johnson, who courageously and valiantly struggled against cancer of the kidneys. Devante went without health coverage for four months in 2006 while his mother attempted to renew his Medicaid coverage. On March 1, 2007, Devante died at age 14 from complications of the disease.

Devante was thoughtful, quiet and brave. He never complained about his illness and focused on the well-being of his two younger brothers and his mother. He was devoted to his family and always put others first.

We dedicate this report to Devante in memory of his courage, strength and kindness.

ACKNOWLEDGEMENTS

With appreciation for the tireless hard work and commitment of Children's Defense Fund staff and volunteers who traveled across the state to interview families and tell their children's stories with dignity.

Deepest gratitude to Vicki Johnson Stephens for her extraordinary leadership and commitment in coordinating this project, with the support of CDF staff Anat Kelman and Deborah Grant. Martha Martinez Gomez, Carolyn DeVaughn, Cecilia Joseph, Glenda Harris, Adrienne Nevola, Elena Perry, Luisa Saenz, Brenda Teran and Anne Wingler also contributed to this project.

Special thanks to Karen Reiter for donating her extraordinary gift for photography to the project and putting a face on the crisis of the uninsured through her moving and powerful images. Anat Kelman and parents of uninsured children also contributed photographs.

We also express our deep appreciation to the Children's Defense Fund Texas Advisory Board and particularly to Dr. Ann Friedman, Health Committee Chair, for her vision, drive and leadership to ensure affordable health coverage for Texas' uninsured children.

And to all members of the CDF Texas Health Committee for their support and commitment: J. Michael Solar, CDF Board Chair, Lan Bentsen, Mike Burke, Glenda Kane, Soraya McClelland, Regina Rogers and Dr. Peggy Smith.

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Finally, we express our appreciation to Liz Vilven and Vilven Design Group for their tremendous hard work and creativity in designing this report.

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IN HARM'S WAY

True Stories of Uninsured Texas Children

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Every day mattered for Devante Johnson. The 13 year old from Houston had advanced cancer of the kidneys and until last year depended on Medicaid to cover the chemotherapy, radiation and constant monitoring that he needed to survive. His mother knew that she had a chronically ill child, and so submitted his renewal two months before the deadline. When she didn't hear anything back, she submitted two more complete renewal applications – one through the financial counselor at Texas Children's Hospital – and called and faxed information dozens of times to keep her son covered. But due to the bureaucracy of the renewal process, her paperwork was never processed and her son went without coverage for four full months last year. During this time, he depended on clinical trials for care and his tumors grew. A state representative intervened to restore coverage, but it was too late. On March 1, 2007, Devante Johnson died from complications of cancer.

Nine year old Gabriela Garcia of Beaumont was fortunate to survive Hurricane Rita. When the storm slammed into the Texas Gulf Coast in 2005, her old house suffered extensive damage. Little did she know, though, that her worries had just begun. After the storm, the Garcias received insurance payments to repair their home. The family thought nothing about putting the money aside in a savings account to pay for a contractor, materials and hotel stay while their home was being prepared. But the check was counted against the family as an "asset," and as a result Gabriela lost her health coverage. While uninsured, she missed 29 days of school last year because of severe migraines and untreated sinus infections.

Seventeen year old Jason Everett of Arlington credits the Children's Health Insurance Program (CHIP) for saving his life during a car wreck one year ago and covering his injuries and all the medical bills. But today Jason is uninsured. Although his family earns \$35,000 a year working in pest control, they no longer qualify for CHIP. New income guidelines no longer count his college-age sister as part of the family size, even though she lives at home. As a result, the family is \$50 above the limit and cannot afford private health insurance.

These are just three of the 250,000 Texas children who have been dropped from the Children's Health Insurance Program and Children's Medicaid. If you could put them in Houston's Reliant Stadium, site of the 2004 Super Bowl, they would pack all 70,000 seats three times, then fill up the entire field and passageways before spilling out into the parking lots.

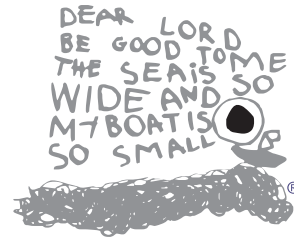
The parents featured in this book understand well the impact of cuts to CHIP and Medicaid on their children's health and on their family's financial security. A mother of a child with Cerebral Palsy cuts back on food and rations medications to cover the \$1,200 in prescriptions that her child needs to survive. A Rice University doctoral student is forced to take his asthmatic child to the emergency room because he cannot afford the medications to regulate his son's breathing. A teacher looks on helplessly as her daughter is diagnosed with rapidly advancing scoliosis and is denied private coverage because of a pre-existing condition.

But these cuts affect the health of every Texas resident, and especially the pocketbooks of local taxpayers.

CHIP and Medicaid are a good deal for Texas. For every \$1 invested, Texas received \$2.64 in federal matching funds for CHIP and \$1.55 for Medicaid. As a result of cuts to the CHIP program, Texas has forfeited more than \$900 million in federal funds that have been returned to the U.S. Treasury and redirected to other states. Texas tax dollars are paying for other states to cover virtually all of their children.

Meanwhile, Texas children rely on overcrowded emergency rooms for care, with property tax payers footing 100% of the bill. The costs are staggering. If a child with an asthma attack can see a doctor when an attack is still mild, he or she can be treated for about \$100. But if he or she cannot get early treatment and has to go to the ER for treatment of full-blown symptoms, the child faces a three day hospital stay that costs more than \$7,300, according to the Harris County Hospital District.

It doesn't have to be this way. Before cuts to the Children's Health Insurance Program took effect in September, 2003, Texas had the most effective CHIP enrollment growth in the United States, with more than 500,000 children signing up and staying enrolled since the program started in 2000.



Children's Defense Fund

CHIP was succeeding in reducing the number of uninsured children in Texas and cutting emergency room utilization. According to a state commissioned report by the Institute for Child Health Policy, 20% of Texas children enrolled in CHIP used the emergency room or an urgent care clinic as their primary source of care before enrolling in coverage. Once enrolled in CHIP, however, only 2% of children used the emergency room as their primary source of care.

CHIP and Medicaid provide needed relief to low-income working families who cannot afford or do not receive health coverage through their employers. Texas has the highest rate of uninsured children in the nation, with one in five children – 1.4 million – lacking coverage. More than 80% of these children live in working families, but private health coverage is too costly to afford averaging more than \$900 a month according to the Texas Department of Insurance.

The crisis of the uninsured is a problem that we can fix. CHIP and Medicaid provide effective and cost-effective care at a cost 31% lower than private health insurance. Texas could cut the number of uninsured Texas children in half today by enrolling every eligible child in Medicaid or CHIP. The cost is affordable – for just \$40 a month in state funds per child, Texas can provide coverage to every eligible child through Medicaid and CHIP. Or we can let the child go uninsured and pay for the \$7,300 hospitalization.

At the national level, the Children's Health Insurance Program (CHIP) is up for reauthorization in 2007. Congress has the opportunity to expand and strengthen health coverage for all children, including the 9 million uninsured children in America. Core components of these reforms include a national minimum benefits package that guarantees that all children in every state receive all medically necessary health, mental health, and dental services, a simple and streamlined eligibility system that is consistent across state lines with automatic enrollment when children are born or begin school, and adequate provider reimbursement rates.

Tommy Shelton, a 9 year boy from Carrollton, north of Dallas, suffers from Juvenile Diabetes and Graves Disease. He went without coverage for three months last year because the state did not process his renewal on time. While uninsured, his health spiraled out of control. He was up all night, plagued by anxiety, suffered heart problems, and his grades plunged from straight A's to D's. The family went to the emergency room for care. The hospital absorbed most of the cost, but the Shelton family is still struggling to repay \$1,000 in fees.

Tommy Shelton is resilient and so is his family. Despite his health problems, he is on the basketball team. His mother tests his glucose before he goes out on the court. He tires easily and so sits out during the second half of the game. But he cheers his team on from the bench.

Tommy Shelton offers us hope. He doesn't want to linger on the pain of the past. He wants to look to the future. He wants to win.

We, too, can learn from the mistakes of the past and prevent these problems from ever occurring again.

The solution is clear and doable. We CAN cover all uninsured children through Medicaid and CHIP. We CAN reduce the strain placed on local emergency rooms and property taxpayers. We CAN prevent children like Devante Johnson and Tommy Shelton from going without health coverage.

The cure is within our reach. Invest in CHIP and Medicaid for Texas children and Texas taxpayers.

Do it for Devante. Do it for Tommy.

Do it for Texas.

Barbara Best, Texas Executive Director, Children's Defense Fund

March, 2007

CHIP AND MEDICAID SAVE TEXANS MONEY AND KEEP CHILDREN FIRST!

Texas has the highest rate of uninsured children in the nation, with one in five lacking coverage. Enrollment in the Texas Children's Health Insurance Program (CHIP) has plunged by more than **181,000 children since budget cuts** took effect in September, 2003, and Children's Medicaid enrollment has dropped by 69,000 children since December, 2005.

Cuts to CHIP and Medicaid affect the health and prosperity of every Texan, and especially the pocketbooks of local taxpayers.

- Texas receives \$2.64 in federal matching funds for every \$1 invested in CHIP and \$1.55 in federal funds for every \$1 invested in Medicaid. Due to cuts to CHIP, Texas has lost \$900 million in federal matching funds that have been returned to the U.S. Treasury and spent by other states.
- When children lose CHIP and Medicaid and end up in county emergency rooms for care, local taxpayers pay 100% of the bill. If a child with an asthma attack can see a doctor when an attack is still mild, he or she can be treated for about \$100. But if he or she cannot get early treatment and has to go to the ER for treatment of full-blown symptoms, the child faces a three day hospital stay that costs more than \$7,300, according to the Harris County Hospital District.
- Children without health insurance are 25% more likely to miss school because of illnesses, and Texas school districts lose \$4 million per day in funding because of absenteeism.
- Small businesses are feeling the squeeze of rising health insurance costs and are often unable to provide health coverage for their employees. Private health insurance premiums have increased by 87% over the past six years.
- High rates of uninsured put a strain on local hospitals and health care systems. According to the Greater Houston Partnership Public Health Task Force, providers are able to recoup, on average, less than 10% of the cost of care of the uninsured. Providers must recoup their costs or they will go out of businesses. Healthcare premiums rise to cover the cost of treating the uninsured.
- According to the conservative economist Ray Perryman, for every state dollar removed from CHIP and Medicaid, local taxes must rise 51 cents, private health insurance premiums increase by \$1.34 and retail sales decline by almost two dollars.

It doesn't have to be this way! Of the 1.4 million uninsured Texas children, half are eligible for but not enrolled in CHIP and Medicaid. For just \$40 a month per child, Texas can provide CHIP health coverage to children in low-income working families.

“As a matter of simple fiscal conservatism, I hope Texas will, in the future, take full advantage of available federal matching funds to bolster our state health care system and relieve increasing pressure on taxpayers who fund county hospitals. CHIP, given the available match, makes sense for our children's health and economic sense for our taxpayers.”

--U.S. Senator Kay Bailey Hutchison

**THE SOLUTION IS CLEAR AND DOABLE:
We can cover uninsured children through Medicaid and CHIP!**

For more information, contact Children's Defense Fund, **713.664.4080**,
bbest@childrensdefense.org, www.cdftexas.org

WHAT TEXAS CAN DO TO SAVE TEXANS MONEY

1. Allow children to reenroll in coverage once a year instead of every six months

Dependable, year round health coverage saves money for Texas families and taxpayers while giving children the health care they need to grow into productive workers and responsible citizens. But requiring parents to renew their children's health coverage twice a year instead of once makes Texas children's health system less effective and more expensive. The state spends double the money processing the same children's paperwork twice. Parents have to take twice the time away from work and home to jump through bureaucratic hoops. Worse yet, these bureaucratic roadblocks can cause children to spend months uninsured or lose coverage altogether. This means higher costs for both families and taxpayers and less effective care for Texas children.

2. Remove bureaucratic roadblocks that prevent eligible children from receiving coverage

Fix problems with the Integrated Eligibility System to prevent eligible kids from losing CHIP and Medicaid coverage

The combination of a new private contractor, policy changes increasing documentation requirements for renewals and state eligibility staff reductions have caused serious problems in the new Integrated Eligibility System. Texas must take action to ensure that applications are processed in a timely manner and that eligible children are not disenrolled due to processing errors. Lawmakers should require adequate state staffing and training in the new eligibility system and better oversight to ensure that acceptable performance standards are being met.

Remove the CHIP asset test

Texas is one of only two states with a CHIP asset test that prevents families with small savings accounts and certain vehicles from receiving health coverage. A second vehicle worth more than \$4,650 is counted as an "asset." A 1996 Chevy pick up truck with 140,000 miles is allowed, but more reliable transportation may cause a child to lose coverage. Working parents need reliable transportation so that they can get to and from their jobs and children should not be penalized when parents set aside money for a down payment on a home or a child's college education.

Eliminate the 90 day waiting period for uninsured children

The current 90 day waiting period for CHIP denies care to newborns and seriously ill or injured children even if they have no private health coverage. Children with serious conditions like cancer and diabetes cannot afford to wait for health coverage. Texas can fix this problem by allowing newborns, chronically ill and uninsured children to receive coverage immediately without waiting 90 days.

Deduct child care and child support expenses when calculating income

CHIP currently counts child support paid by one household to another as though that income were available to both families. Children whose parents are being responsible by faithfully paying child support are being denied CHIP. Working families need to be able to deduct child care expenses so that they don't have to choose between work and children's health care.

WHAT TEXAS CAN DO TO KEEP CHILDREN FIRST

3. Provide adequate reimbursement for Medicaid and CHIP providers

2003 rate cuts reduced physician fees to below 1993 levels. Medicaid pays substantially less than Medicare or private insurance, and, as a result, providers are unable to afford to care for Medicaid recipients. According to the Texas Medical Association, the percentage of doctors taking new Medicaid patients dropped from 67% in 2000 to 38% in 2006.

4. Invest in outreach and education to ensure that all eligible children are enrolled

Half of the uninsured Texas children are eligible for but not enrolled in CHIP and Medicaid. Funding for community based outreach organizations will help parents apply for coverage, renew coverage and teach parents to use preventive services rather than seeking care in emergency rooms.

5. Create a buy-in program to allow higher income families to purchase CHIP coverage

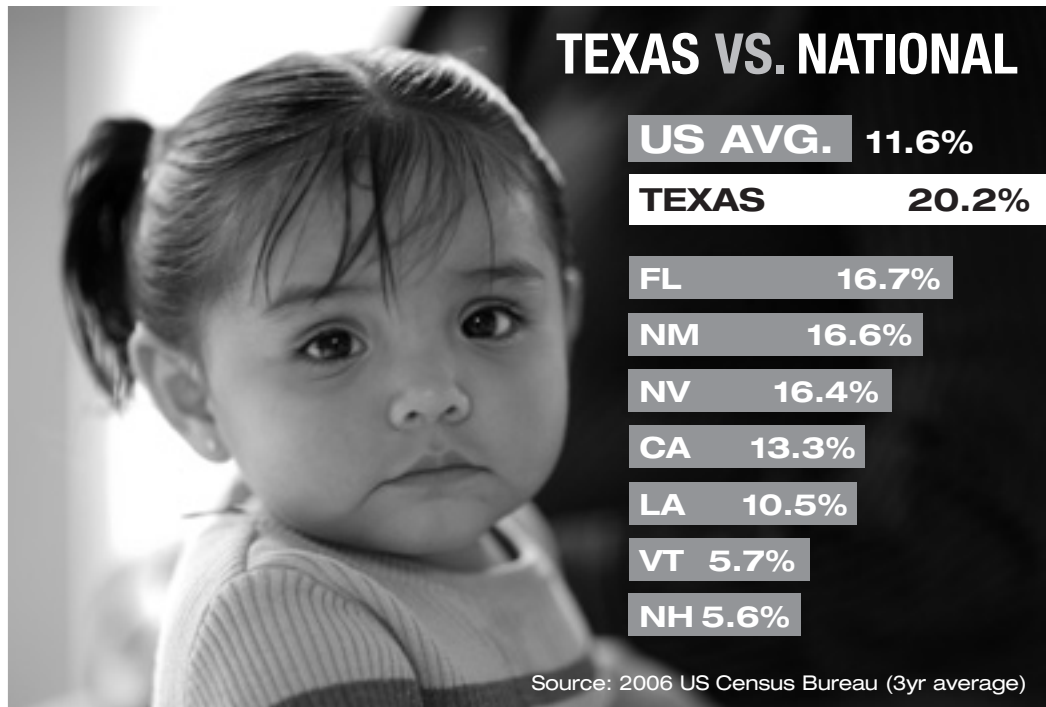
Other states are working to provide health coverage for virtually every child. We can do that in Texas, too, by creating a "buy-in" program to allow higher income families to pay for CHIP coverage on a sliding scale basis. CHIP and Medicaid provide cost-effective affordable health coverage to millions of American children at a cost 31% lower than private health insurance. By allowing higher income families to buy into CHIP and Medicaid, Texas can cover more children and reduce the strain placed on employers and local emergency rooms.

6. At the national level, the Texas Congressional delegation can support the reauthorization and expansion of CHIP as an opportunity to guarantee health coverage for all children.

At the national level, the Children's Health Insurance Program (CHIP) is up for reauthorization in 2007. Congress has the opportunity to expand and strengthen health coverage for all children, including the 9 million uninsured children in America. Core components of these reforms include a national minimum benefits package that guarantees that all children in every state receive all medically necessary health, mental health, and dental services, a simple and streamlined eligibility system that is consistent across state lines with automatic enrollment when children are born or begin school, and adequate provider reimbursement rates.

OVERVIEW OF CHIP, MEDICAID AND UNINSURED CHILDREN IN TEXAS

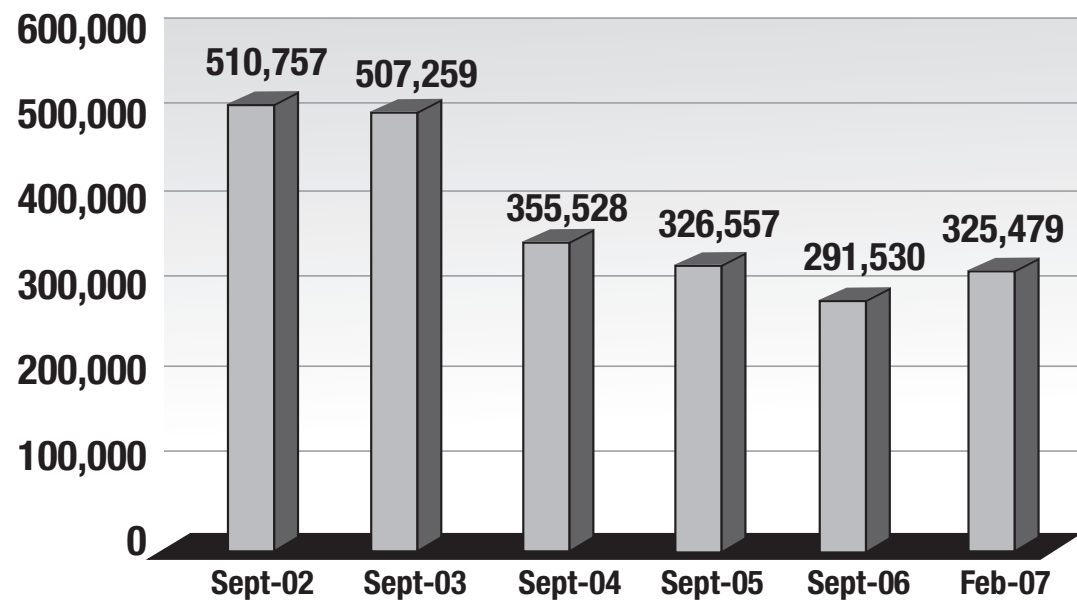
Texas has the highest rate of uninsured children in the nation, with 20.2% of children lacking coverage, compared to 11.6% nationally. More than 80% of these children live in working families but cannot afford or do not receive health coverage through their employers. The average cost of private family health coverage is more than \$900 a month, according to the Texas Department of Insurance.



CHIP and Medicaid are effective and cost-effective tools to reduce Texas' number of uninsured children. The programs provide low-cost health coverage to uninsured children living at or below 200% of the federal poverty line - \$41,300 a year for a family of four in 2007. Of the 1.4 million uninsured Texas children, half are eligible for but not enrolled in CHIP and Medicaid.

The Texas CHIP program was passed in the 1999 Texas Legislature with full bi-partisan support and began enrolling children in May, 2000. Texas CHIP enrollment was among the most effective in the nation, with more than 500,000 children signing up and staying enrolled until budget cuts took effect in September, 2003.

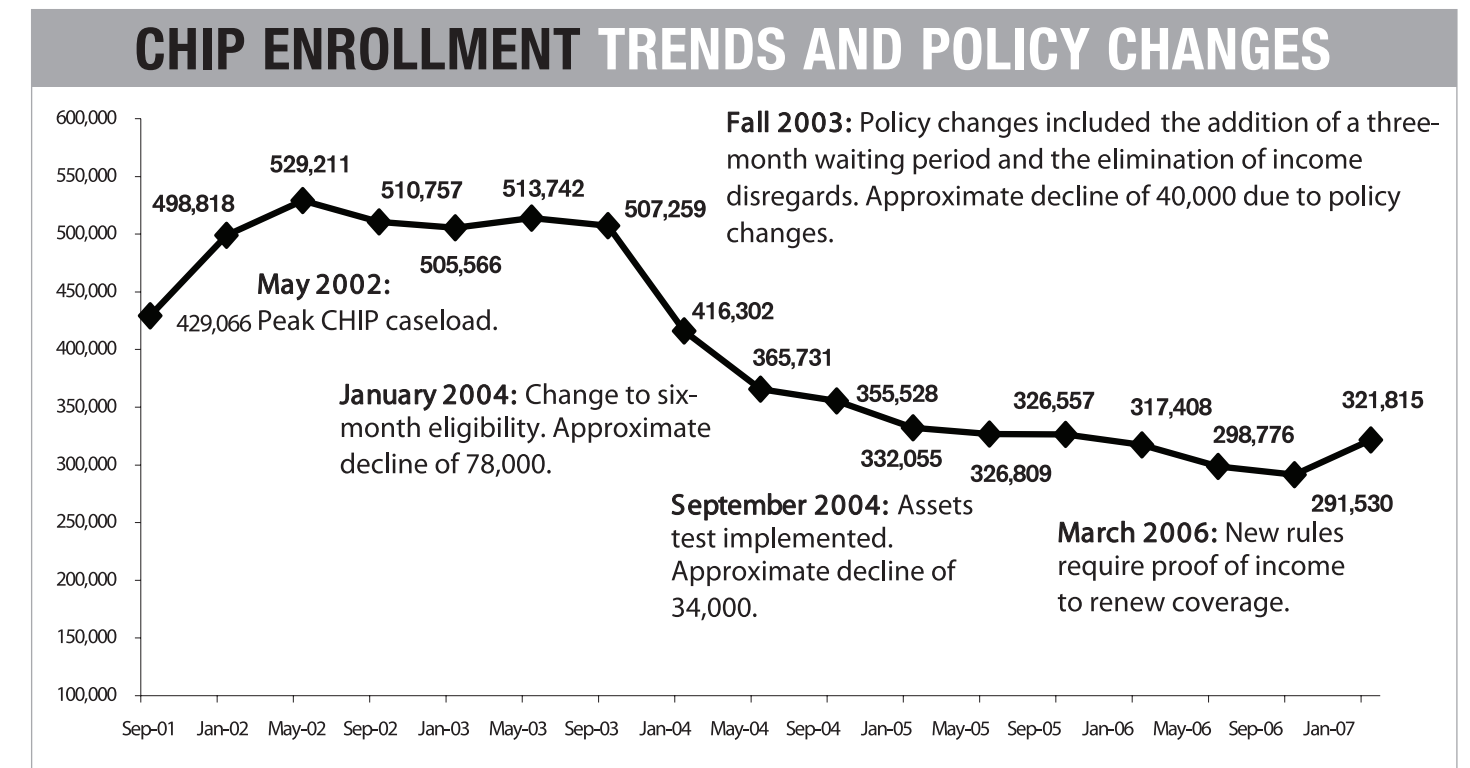
TEXAS CHIP ENROLLMENT SNAPSHOTS



The 2003 Texas Legislature made unprecedented changes to benefits and eligibility causing CHIP enrollment to drop by more than 180,000 children - nearly a third of the previous caseload.

- Dental, vision, hospice and mental health services were removed from the CHIP benefits package.
- Premiums increased by 1200% for the lowest income families.
- Children were required to reenroll every six months instead of annually.
- A 90 day wait was created for all new applicants - even newborns and chronically ill children.
- Income deductions for childcare and child support were no longer counted in determining income.
- An assets test was created, preventing families with small savings accounts and certain vehicles from qualifying for CHIP. A second vehicle worth more than \$4,650 is counted as an asset and may cause a child to lose his or her health coverage. Under this policy, a 1996 Chevy pick up truck with 140,000 miles is allowed, but a more reliable vehicle may cause a child to lose his or her health coverage.

The below chart illustrates the impact of 2003 policy changes on CHIP enrollment loss:



Source: Health and Human Services Commission

The 2005 Texas Legislature partially restored the Texas CHIP program, reinstating dental, vision, hospice and mental health services to the benefits package and reducing premiums. However, enrollment is still low.

This is due to a number of factors. In December, 2005, the private firm Accenture began processing CHIP applications. Poorly trained contract staff made serious processing errors that caused eligible children to be erroneously cut from coverage. Income was incorrectly calculated, children were denied for being non-citizens when they were in fact citizens and paperwork was lost, forcing parents to reapply two, three or more times to receive coverage.

Also in December, 2005, the state implemented a new more complicated renewal process, requiring that families provide additional documentation upon renewal, and that the state test families' income and assets every six months. Since 1.2 million children are enrolled in CHIP and Medicaid, this created a significant workload for the state, requiring that the state process 2.4 million renewals instead of 1.2 million annual reviews.

Overwhelmed caseworkers could not keep up with the workload, and thousands of applications were not completed on time. Federal standards require that 95% of Medicaid applications be processed within the required timeframe of 45 days. As of January, 2007, only 86.9% of new Medicaid applications were processed on time. The major urban areas were especially hard hit: 68.9% of Central Texas applications were completed on time, 81.7% in Dallas/Fort Worth and 87.9% in Houston.

Medicaid Timeliness July 2006 - January 2007

HHS REGIONS	Jan-07	December	November	October	September	August	July
01 High Plains	96.6%	95.4%	95.7%	97.2%	96.0%	97.3%	96.3%
02 NW TX	92.8%	94.0%	95.0%	94.4%	95.1%	95.1%	94.9%
03 Metroplex	81.7%	82.3%	81.5%	79.5%	84.3%	87.3%	89.4%
04 Upper East TX	96.3%	95.0%	95.8%	96.3%	96.7%	97.1%	97.6%
05 SE TX	93.2%	91.0%	93.0%	90.7%	92.1%	91.5%	94.1%
06 Gulf Coast	87.9%	92.5%	75.4%	77.0%	78.9%	81.8%	90.2%
07 Central TX	68.9%	63.0%	51.7%	53.4%	53.9%	60.6%	50.6%
08 Upper South TX	96.5%	97.3%	97.8%	97.8%	97.5%	98.1%	97.8%
09 West TX	93.3%	91.9%	94.8%	95.3%	93.9%	94.1%	93.8%
10 Upper RGV	94.3%	86.3%	94.1%	93.4%	94.3%	96.5%	98.2%
11 Lower South TX	97.0%	96.8%	96.3%	95.9%	97.2%	97.2%	97.4%
00	98.1%	75.0%	73.3%	63.0%	56.1%	38.4%	31.0%
TOTAL	86.9%	86.2%	81.40%	82.3%	84.1%	86.5%	86.7%

Data provided by HHSC Enterprise Applications

An HHSC commissioned study by the Institute for Child Health Policy (IHP) confirmed these serious problems with the enrollment process. IHP surveyed 1798 caregivers of CHIP and Medicaid children in April and May, 2006 to better understand families' experience with the renewal process. Findings included the following:

- **The majority of respondents in both programs submitted a renewal packet if one had been received** (73% in Medicaid and 89% in CHIP).
- **A substantial percentage of respondents who submitted renewal packets but did not renew coverage for their child were told they had missing information in their renewal packet.**
For CHIP respondents, 60% of those who did not renew coverage for their children were informed of missing information. For Medicaid respondents, 24% of those who did not renew were told that they had missing information.

- **Of the respondents who were told that they had missing information, the majority reported that they provided the missing information.**

89% of CHIP respondents who did not renew coverage reported providing the missing information. Among these respondents, 61% indicated that they had two weeks or less to provide missing information.

86% of Medicaid respondents who did not renew coverage reported providing the missing information. Among these respondents, 63% indicated that they had two weeks or less to provide missing information.

- **Few respondents whose child's coverage had not been renewed were able to secure additional insurance coverage for their children.** 24% of those who had been in Medicaid and 28% of those who had been in CHIP had health insurance coverage at the time of the interview.

Acknowledging serious processing errors, Texas terminated the \$899 million, five year contract with Accenture in mid-March, 2007. State workers will now run CHIP and Medicaid and manage Accenture subcontractors. However, serious reductions of eligibility staff and increased requirements to verify income and assets every six months threaten the effectiveness of the new system.

Texas must take action to ensure that the mistakes of the past are not repeated. Adequate staffing of Medicaid and CHIP will be necessary to ensure that applications are processed on time. At the same time, Texas must remove the red tape from the reenrollment process that doubles the work for the state and causes more children to lose coverage.

Texas CHIP Enrollment Decline, September 2003 to December 2006

County	Sept 2003 Enrollment	Dec 2006 Enrollment	% Change	County	Sept 2003 Enrollment	Dec 2006 Enrollment	% Change	County	Sept 2003 Enrollment	Dec 2006 Enrollment	% Change
Anderson	978	603	-38.3%	Gillespie	696	360	-48.3%	Moore	366	170	-53.6%
Andrews	572	265	-53.7%	Glasscock	50	21	-58.0%	Morris	312	178	-42.9%
Angelina	1,539	868	-43.6%	Goliad	114	71	-37.7%	Motley	47	10	-78.7%
Aransas	551	258	-53.2%	Gonzales	526	273	-48.1%	Nacogdoches	894	565	-36.8%
Archer	150	49	-67.3%	Gray	453	175	-61.4%	Navarro	517	471	-8.9%
Armstrong	60	22	-63.3%	Grayson	2,045	1,216	-40.5%	Newton	421	215	-48.9%
Atascosa	1,189	578	-51.4%	Gregg	2,983	1,820	-39.0%	Nolan	548	241	-56.0%
Austin	577	361	-37.4%	Grimes	478	256	-46.4%	Nueces	8,384	5,029	-40.0%
Bailey	233	127	-45.5%	Guadalupe	1,565	1,107	-29.3%	Ochiltree	245	116	-52.7%
Bandera	437	209	-52.2%	Hale	910	459	-49.6%	Oldham	78	31	-60.3%
Bastrop	1,668	897	-46.2%	Hall	100	50	-50.0%	Orange	2,231	1,135	-49.1%
Baylor	157	49	-68.8%	Hamilton	297	141	-52.5%	Palo Pinto	711	400	-43.7%
Bee	694	468	-32.6%	Hansford	190	66	-65.3%	Panola	477	235	-50.7%
Bell	3,445	1,938	-43.7%	Hardeman	109	43	-60.6%	Parker	1,654	898	-45.7%
Bexar	31,075	21,828	-29.8%	Hardin	1,567	763	-51.3%	Parmer	308	177	-42.5%
Blanco	236	128	-45.8%	Harris	93,901	66,989	-28.7%	Pecos	415	219	-47.2%
Borden	15	4	-73.3%	Harrison	1,243	751	-39.6%	Polk	1,018	578	-43.2%
Bosque	538	257	-52.2%	Hartley	43	26	-39.5%	Potter	2,297	1,188	-48.3%
Bowie	1,111	740	-33.4%	Haskell	213	105	-50.7%	Presidio	213	86	-59.6%
Brazoria	5,483	3,099	-43.5%	Hays	2,209	1,456	-34.1%	Rains	315	174	-44.8%
Brazos	2,062	1,287	-37.6%	Hemphill	90	45	-50.0%	Randall	1,525	719	-52.9%
Brewster	168	55	-67.3%	Henderson	2,033	1,123	-44.8%	Reagan	214	81	-62.1%
Briscoe	53	29	-45.3%	Hidalgo	28,834	16,681	-42.1%	Real	105	35	-66.7%
Brooks	267	140	-47.6%	Hill	944	580	-38.6%	Red River	352	173	-50.9%
Brown	768	388	-49.5%	Hockley	661	258	-61.0%	Reeves	438	242	-44.7%
Burleson	394	209	-47.0%	Hood	1,005	579	-42.4%	Refugio	208	132	-36.5%
Burnet	1,063	665	-37.4%	Hopkins	832	486	-41.6%	Roberts	7	5	-28.6%
Caldwell	1,014	554	-45.4%	Houston	390	199	-49.0%	Robertson	363	141	-61.2%
Calhoun	561	276	-50.8%	Howard	753	409	-45.7%	Rockwall	696	509	-26.9%
Callahan	403	157	-61.0%	Hudspeth	134	41	-69.4%	Runnels	371	205	-44.7%
Cameron	13,505	8,161	-39.6%	Hunt	1,342	866	-35.5%	Rusk	976	667	-31.7%
Camp	357	228	-36.1%	Hutchinson	587	238	-59.5%	Sabine	274	150	-45.3%
Carson	114	40	-64.9%	Irion	64	9	-85.9%	San Augustine	228	115	-49.6%
Cass	751	416	-44.6%	Jack	270	116	-57.0%	San Jacinto	463	335	-27.6%
Castro	266	149	-44.0%	Jackson	344	197	-42.7%	San Patricio	2,316	1,273	-45.0%
Chambers	495	275	-44.4%	Jasper	1,005	461	-54.1%	San Saba	186	91	-51.1%
Cherokee	1,237	910	-26.4%	Jeff Davis	26	23	-11.5%	Schleicher	114	40	-64.9%
Childress	158	61	-61.4%	Jefferson	5,134	2,832	-44.8%	Scurry	493	167	-66.1%
Clay	222	104	-53.2%	Jim Hogg	224	87	-61.2%	Shackelford	121	62	-48.8%
Cochran	121	48	-60.3%	Jim Wells	1,468	768	-47.7%	Shelby	608	330	-45.7%
Coke	84	40	-52.4%	Johnson	3,065	1,818	-40.7%	Sherman	74	20	-73.0%
Coleman	262	122	-53.4%	Jones	533	209	-60.8%	Smith	4,571	2,941	-35.7%
Collin	4,626	3,791	-18.1%	Karnes	392	154	-60.7%	Somervell	223	96	-57.0%
Collingsworth	84	45	-46.4%	Kaufman	1,548	1,207	-22.0%	Starr	3,058	2,003	-34.5%
Colorado	600	296	-50.7%	Kendall	517	197	-61.9%	Stephens	347	160	-53.9%
Comal	1,524	928	-39.1%	Kenedy	19	17	-10.5%	Sterling	47	18	-61.7%
Comanche	466	215	-53.9%	Kent	34	2	-94.1%	Stonewall	47	27	-42.6%
Concho	106	52	-50.9%	Kerr	1,196	609	-49.1%	Sutton	167	74	-55.7%
Cooke	631	410	-35.0%	Kimble	146	83	-43.2%	Swisher	230	132	-42.6%
Coryell	746	425	-43.0%	King	9	2	-77.8%	Tarrant	28,962	20,703	-28.5%
Cottle	46	32	-30.4%	Kinney	80	54	-32.5%	Taylor	2,956	1,609	-45.6%
Crane	161	35	-78.3%	Kleberg	773	498	-35.6%	Terrell	13	4	-69.2%
Crockett	140	63	-55.0%	Knox	181	49	-72.9%	Terry	390	177	-54.6%
Crosby	243	127	-47.7%	Lamar	1,011	713	-29.5%	Throckmorton	80	21	-73.8%
Culberson	110	39	-64.5%	Lamb	611	252	-58.8%	Titus	929	659	-29.1%
Dallam	249	117	-53.0%	Lampasas	484	221	-54.3%	Tom Green	2,580	1,402	-45.7%
Dallas	48,206	36,931	-23.4%	La Salle	177	63	-64.4%	Travis	12,635	9,449	-25.2%
Dawson	394	214	-45.7%	Lavaca	590	296	-49.8%	Trinity	283	149	-47.3%
Deaf Smith	611	283	-53.7%	Lee	463	247	-46.7%	Tyler	617	252	-59.2%
Delta	127	75	-40.9%	Leon	466	193	-58.6%	Upshur	1,016	569	-44.0%
Denton	5,633	3,850	-31.7%	Liberty	2,329	1,123	-51.8%	Upton	110	50	-54.5%
DeWitt	414	268	-35.3%	Limestone	481	321	-33.3%	Uvalde	782	580	-25.8%
Dickens	64	13	-79.7%	Lipscomb	87	38	-56.3%	Val Verde	1,107	758	-31.5%
Dimmit	449	155	-65.5%	Live Oak	236	157	-33.5%	Van Zandt	1,375	671	-51.2%
Donley	109	51	-53.2%	Llano	488	215	-55.9%	Victoria	2,349	1,109	-52.8%
Duval	460	221	-52.0%	Loving	0	0	0	Walker	595	411	-30.9%
Eastland	706	321	-54.5%	Lubbock	4,718	2,480	-47.4%	Waller	914	566	-38.1%
Ector	3,956	1,805	-54.4%	Lynn	192	71	-63.0%	Ward	362	137	-62.2%
Edwards	102	35	-65.7%	Madison	194	154	-20.6%	Washington	453	345	-23.8%
Ellis	2,177	1,466	-32.7%	Marion	227	142	-37.4%	Webb	8,903	5,383	-39.5%
El Paso	22,082	13,805	-37.5%	Martin	161	120	-25.5%	Wharton	1,193	667	-44.1%
Erath	756	441	-41.7%	Mason	134	71	-47.0%	Wheeler	151	42	-72.2%
Falls	279	207	-25.8%	Matagorda	1,292	656	-49.2%	Wichita	1,813	908	-49.9%
Fannin	656	363	-44.7%	Maverick	2,346	1,553	-33.8%	Wilbarger	204	131	-35.8%
Fayette	609	359	-41.1%	McCulloch	357	175	-51.0%	Willacy	811	466	-42.5%
Fisher	142	30	-78.9%	McLennan	3,800	2,324	-38.8%	Williamson	5,377	3,382	-37.1%
Floyd	269	126	-53.2%	McMullen	11	10	-9.1%	Wilson	805	448	-44.3%
Foard	61	33	-45.9%	Medina	948	519	-45.3%	Winkler	349	160	-54.2%
Fort Bend	7,577	5,728	-24.4%	Menard	84	50	-40.5%	Wise	1,223	651	-46.8%
Franklin	286	169	-40.9%	Midland	3,318	1,542	-53.5%	Wood	995	724	-27.2%
Freestone	322	174	-46.0%	Milam	551	358	-35.0%	Yoakum	343	128	-62.7%
Frio	602	296	-50.8%	Mills	81	54	-33.3%	Young	552	192	-65.2%
Gaines	962	506	-47.4%	Mitchell	225	90	-60.0%	Zapata	493	178	-63.9%
Galveston	4,436	2,763	-37.7%	Montague	605	256	-57.7%	Zavala	488	187	-61.7%
Garza	183	84	-54.1%	Montgomery	6,391	3,986	-37.6%	Texas	507,259	326,231	-35.7%



The Recertification Roller Coaster

“You can get signed up but you can't remain on the program – it is an incredibly frustrating process. There needs to be accountability on what taxpayers are spending. I deserve better. I need accountability for the way you are spending my money.”

– Barbara Shelton, Carrollton, Texas (north of Dallas) whose 9-year-old son, Tommy, suffers from Juvenile Diabetes and Graves' disease. Tommy lost CHIP for four months while his mother attempted to renew his coverage.

Dependable, **year round health coverage saves money for Texas families and taxpayers**, while giving Texas children the health care they need to grow into productive workers and responsible citizens.

But requiring parents to renew their children's health coverage twice a year instead of once makes Texas children's health system less effective and more expensive. **The state spends double the money processing the same children's paperwork twice.** And parents have to take twice the time away from work and home to jump through bureaucratic hoops.

Worse yet, these **bureaucratic roadblocks** can cause children to spend months uninsured or to lose coverage altogether. This **means higher costs for both families and taxpayers** and less effective health care for Texas children.

Devante Johnson

HOUSTON

Thirteen-year-old Devante Johnson had advanced kidney cancer and could not afford to be without health care coverage. But last year, that is exactly what happened, when Devante spent four desperate months uninsured while his mother tried to renew his Medicaid coverage.

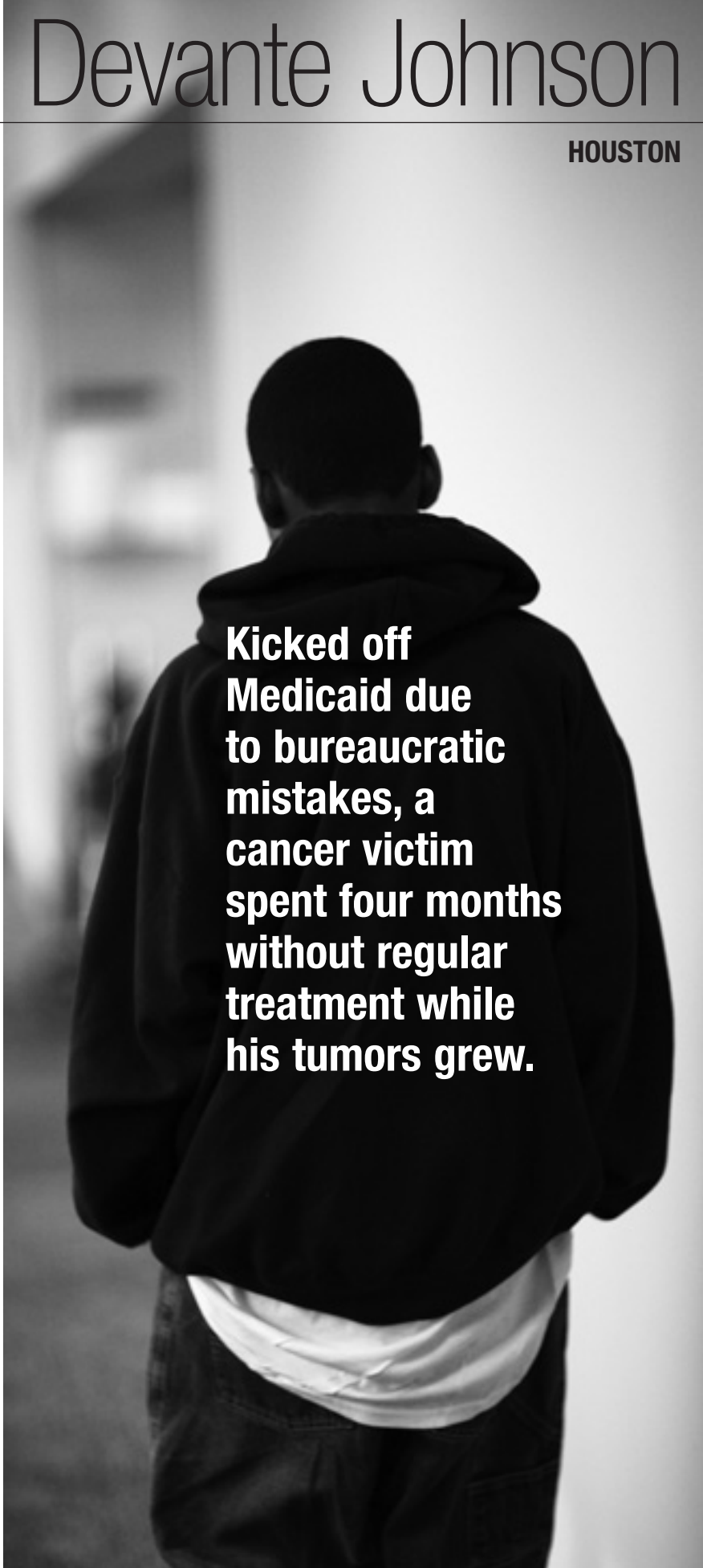
For years, Devante and his two younger brothers were covered by Medicaid. Texas families who qualify for Medicaid or CHIP are required to renew their coverage every six months, and Devante's mother, Tamika, had tried to get a head start by sending in her paperwork two months before Medicaid was set to expire.

The application sat for six weeks until it was processed and then transferred to CHIP, because an employee believed their family no longer qualified for Medicaid. At that point the paperwork got lost in the system. Tamika grew more and more desperate as she watched her son get worse. "I did everything I possibly could," Tamika, said "I would literally get off the phone in tears, crying because they [CHIP employees] frustrated me so much."

For four months, Devante went without health insurance as employees unsuccessfully attempted to reinstate his coverage. As a result he could no longer receive regular treatment and had to rely on clinical trials for care. Meanwhile, his tumors grew. Time was running out.

It wasn't until a state representative intervened that Devante's coverage was immediately reinstated. Two days later, Devante was able to start a promising new treatment. But it was too late.

Devante Johnson died on March 1, 2007.



Kicked off Medicaid due to bureaucratic mistakes, a cancer victim spent four months without regular treatment while his tumors grew.

Shelton Family

CARROLLTON (north of Dallas)



A child's life-threatening condition spiraled out of control after he was denied CHIP coverage.

Nine year old Tommy Shelton is about to step on to the basketball court. Towering over his peers, he is the tallest player on the court and will no doubt win his team the ball at tip-off. Before stepping on to the court, though, Tommy stops for a few moments to check his blood glucose level with his mom. Tommy suffers from Type I Diabetes and Graves' Disease, a second autoimmune disease that causes over-activity in the thyroid gland. If untreated, both conditions can be life threatening. As a diabetic, Tommy wears an insulin pump and receives continuous infusions of insulin to survive. Without his medications, he could experience confusion, loss of consciousness, coma and even death. Untreated Graves' Disease can also lead to heart problems, and in serious cases, can be fatal.

Tommy has been enrolled in CHIP since 2003. His parents work in pest control and cannot afford private health insurance through their employer. CHIP has been critical in managing Tommy's illnesses and helping his family afford his life-saving medications.

However, **Tommy fell in harm's way when he lost CHIP for four months while his mother attempted to renew his coverage.** While Tommy was uninsured, his parents could not afford treatment for his Graves' Disease and he had to skip several doctors' appointments. **Without treatment, Tommy's condition spiraled out of control. He became hyperactive, unable to sleep at night and exhausted. As a result, his grades started to decline. He used to get straight A's but made D's and barely passed his classes.** His mother had to take time off from work to shuttle him 40 miles round trip to Children's Medical Center in Dallas, so that he could receive discounted care and medication samples. Children's Medical Center absorbed most of the cost of the care, but **Tommy's family still had to absorb the cost of \$1,000 in medical bills and the stress of choosing which other bills would go unpaid so that they could pay off the hospital debt.**

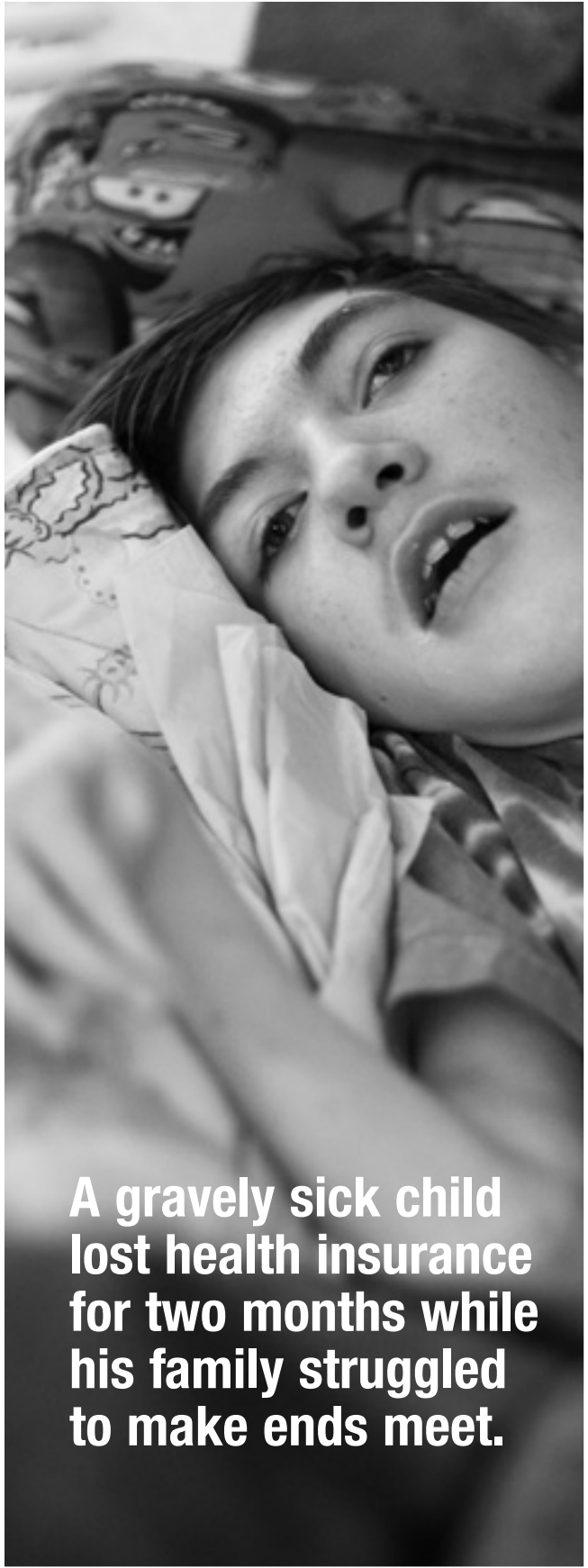
Tommy is resilient, and so is his family. Four months later they were able to get coverage restored through the help of his school nurse. Tommy's health has improved. He still plays on the basketball team, but he must sit out during the second half of the game because he tires easily. Still, he stays to cheer on the rest of his team.

Tommy's mother hopes that lawmakers will learn from her son's experience and remove the barriers that make it so difficult for children to keep their health coverage.



Sorrels Family

BRIDGE CITY (East Texas)



“Think of it as your own family, to experience not having medicines or funds to pay for care. This program is really important to families that need it. I would do anything to help improve the system.”

— LaWanda Sorrels

Fourteen year old Kevin dresses like a typical teenager, in a tie-dye t-shirt, jeans and sneakers. His room is covered with family and celebrity photos, including pictures of his baseball team and autographed photos from Emeril and Shania Twain, his favorite celebrities. On a cool winter evening, Kevin watches TV nestled in pillows covered with cartoon prints.

Unlike most teenagers, Kevin has Cerebral Palsy and needs round the clock care to survive. **Kevin receives breathing treatments four times a day, is nourished through a feeding tube and requires \$1,200 a month in medications. In addition, he was recently diagnosed with Scoliosis and will soon require surgery.** Kevin's father manages a convenience store, but cannot secure private coverage for his son due to Kevin's pre-existing condition, so Kevin relies on CHIP. CHIP does not cover in home health assistance, and Kevin's mother stays home to care for him full-time.

Although he had been enrolled in the CHIP program since 2000, **Kevin lost coverage for two months last year. His mother received a letter stating Kevin's coverage was going to end—a day before the termination date.** She had mistakenly failed to answer a question on the renewal form about the value of the family's car, and no one had called to inform her of the missing information. They tried to correct the problem with CHIP staff, but no one would help them. It wasn't until his father finally appealed to the Governor that Kevin's coverage was restored.

While Kevin was uninsured, the family experienced a great deal of stress. The Sorrels refused to let Kevin go without medical care, so they **cut back on food, racked up credit card debt to purchase medications and rationed doses to provide for his health needs.**

A gravely sick child lost health insurance for two months while his family struggled to make ends meet.

Cannon Family

SPRING (suburban Houston)



Caught between CHIP and Medicaid, a child with chronic asthma was denied coverage for five months.

Terri Cannon's husband is a full-time student working on a Ph.D. in physics. He receives a small research and teaching stipend from the university, but the university health coverage is expensive.

Terri is a stay-at-home mother of two young boys, ages four and one. Four-year-old Jason has asthma and takes a pill and breathing treatment daily for preventive care. When he has breathing troubles, usually brought on by a common cold, he requires respiratory treatments every four hours, an oral steroid and prescription cold medicine. At one point, he had **seven different medicines for his asthma**. If Jason doesn't receive daily preventative care, his condition can get serious. He's been hospitalized

a few times for serious asthma attacks and in the past year has had major breathing problems every six weeks. Even a common cold can stop him from breathing.

Jason began receiving coverage through CHIP in December of 2004, but his younger brother, Ian, has been on Medicaid since birth. Since income guidelines for Medicaid and CHIP are different, in a single family some children can be eligible for Medicaid while others are eligible for CHIP. Terri submitted Jason's CHIP renewal in January 2006. For months the application was caught in red tape because it was determined that although she was Medicaid income eligible, her assets made her eligible for CHIP. The operator at the call

center told Terri that she qualified for CHIP, but the computer did not recognize the family's eligibility. As a result, **Jason went without health coverage for five months while his paperwork was being processed. His parents ran out of his medication, and he was sick a couple of times. A supply of his medicine ranges from \$86 to \$350 for a 30 to 90 day supply.**

"Since coverage was restored, Jason's health has been great," Terri said. "We have been able to stay on top of his meds, he's had no serious attacks, no runs to the doctor every six weeks. I don't have to constantly worry about it; it's easier, it's stress free."

"I want lawmakers to know that our family is not abusing the system. Someday, we'll be professionals, earning just as much as they do. Right now, we're a student family and there's no other affordable option out there."

-Terri Cannon

Nedbalek Family

GRANITE SHOALS (west of Austin)

After the children lost their health insurance, the family struggled to put food on the table.

The Nedbalek family lives in rural Granite Shoals on an unpaved road with limited services. The father is a crew chief at a surveying company, and the mother, Amanda, cares for her three children, ages six, five and 18 months. The children had been enrolled in Medicaid since birth. However, when their coverage came up for renewal in January 2006, they were rejected from Medicaid and told to apply for CHIP.

For a couple of months the girls were dually enrolled, causing billing problems which were subsequently corrected. In July, Amanda applied to renew her 18-month-old son's Medicaid coverage, and upon denial, was told to apply for CHIP. This time the application was never received, and after several mailing and faxing attempts, Amanda was informed that her family's income was too high and that all three children would be removed from coverage in October. She was also told that she had never paid the girls' premium payment, even though Amanda had sent in proof of funds withdrawal.

Out of desperation, Amanda enrolled the children in health insurance at her husband's job. The coverage cost \$450 per month for September and October, approximately 17 percent of the family's income. The costly private health insurance caused financial hardships for the family. They subsisted primarily on Ramen noodles, as they could not afford groceries.

The father then changed jobs for better pay in November, but his new employer did not provide any coverage at all. The children lost coverage again. **While uninsured, one child broke a tooth and the other developed a 104 degree fever. No doctors would see the uninsured children, and they went without treatment.**

CHIP was finally reinstated in December when it was discovered that the Nedbaleks had been recorded as a family of three, instead of five. Amanda is grateful to have the coverage restored, but worries about what will happen when the children come up for renewal.



"When you qualify, you should be able to get enrolled."

-Amanda Nedbalek

Guerrero Family

MISSION (Rio Grande Valley)

Denial of CHIP coverage led mother to take kids across the border for treatment.

Since 2004, Sarah Guerrero's three children, seven year old Damian, ten year old Arturo and eleven year old Crystal, had been enrolled in CHIP. CHIP coverage allowed Sarah to take the children to the doctor for regular checkups, prescriptions, exams and routine follow ups for Crystal's allergies and Damian's frequent ear problems.

One Friday afternoon in November 2006 when Sarah took her kids to the doctor for high temperatures, she was told the doctor couldn't treat her kids because their CHIP coverage had ended. She asked how much the cost of the consultation would be and was told \$75 per child.

As a widow receiving survivor's benefits and working several shifts to support her family, Sarah knew that these fees were beyond her reach. Since she did not have the means to get her children the medical attention they needed in Texas, she took her three U.S. citizen children to Mexico, where that same evening they were diagnosed and treated for upper respiratory infections.

Sarah later learned her CHIP coverage had been terminated because she failed to pay an enrollment fee—a fee she had never been notified was due. When she tried to resolve the problem with the call center, customer service representatives would hang up on her, tell her that nothing could be done or that she would have to wait.

For months Sarah unsuccessfully fought to reinstate her children's coverage. During that time, her children's health began to suffer — particularly Damian's. Damian has a history of chronic ear infections and while uninsured, the problem began to worsen. He began performing poorly in school and his grades dropped. **Damian's poor performance and incorrect pronunciation of words and phrases was so noticeable that**

his teachers suggested that he get help. Sarah had also noticed that at home he did not respond to her when she called for him and that he turned up the volume on the TV more and more each day.

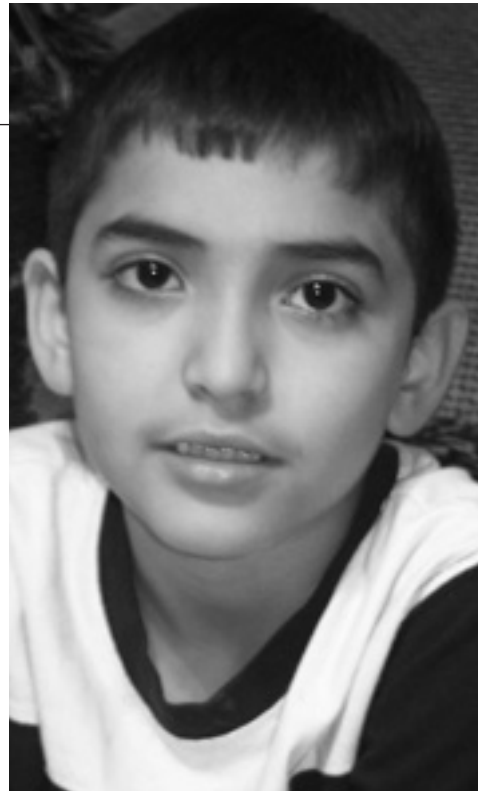
It turned out that Damian wasn't suffering from an ear infection, but severe hearing loss. Sarah was told that Damian would require surgery in his left ear as soon as possible to correct his ear problem and prevent further hearing loss.

Sarah was forced to delay Damian's ear surgery until his coverage could be reinstated. She enlisted the help of a school nurse and local advocates and in November 2006 received a letter dated September 27, 2006 stating that her health plan had been activated in April 2006. The dates were unusual, but Sarah hoped her problems were resolved.

When Sarah took Damian in for a pre-op doctor's visit before the surgery in late November, she was told again that her child's coverage had not been reinstated. The health plan would not approve the surgery since the six month coverage period noted on the letter had already expired.

It wasn't until advocates appealed to the highest levels of the Texas Health and Human Services Commission that Damian was finally enrolled in CHIP. In mid-December, Damian had surgery to alleviate his ear problem.

While he still needs follow up care and treatment to correct his hearing loss, Sarah is hopeful that this problem will no longer delay his progress in school and that in time he will be able to catch up with his classmates. She is also relieved that she can now take Damian and her other children to a doctor in Texas, instead of seeking medical attention in Mexico.



“I do not understand why they make it difficult for children to get health insurance when they qualify for it. I urge lawmakers to pay more attention to how children are first, and how the money allocated to help them is spent. The money is not spent correctly if instead of helping children, CHIP dis-enrolls them every time there is a change in the application or requirements.”

— Sarah Guerrero

Flores Family

SAN ANTONIO

Child with serious health needs inexplicably cut from Medicaid coverage.

Valerie Flores, whose husband works full-time as a manager at Luby's Cafeteria, is an impassioned and dedicated stay-at-home mother of two young children, and she absolutely has to be.

Valerie's son Tony was born with severe deformities and disabilities and Valerie has to vigilantly monitor his care around the clock. The Flores family relies on Medicaid to help Valerie care for him at home and to afford his constant care.

Tony was born very premature with his intestines outside of his body — a condition called “Omphalocele,” in which the abdominal muscles do not properly form. As a result, the intestinal pouch leaks almost entirely out of the stomach during development.

The condition, although treatable, requires extreme surveillance and numerous surgeries and special procedures to correct. Tony had to spend the first 18 months of his life in the hospital and has experienced developmental delays and set-backs that will require long-term, if not life-long, therapy and care.

Tony's medical condition is so delicate that he requires constant life support, with breathing and feeding tubes connected to his tiny body through a tracheotomy. Tony is not strong enough to even stand or walk. A mass of tubes hangs heavily from his neck.

In December 2006, Valerie was in a terrible panic when she was told over the phone that Tony's Medicaid renewal had been denied. Since Tony was no longer in the hospital full time, she was



told that Medicaid would not cover his home medical costs and she would have to relinquish her at-home nursing care.

Tony's life hinges on a very strict regimen of treatment and care. Valerie knew that without Medicaid coverage the family would be unable to afford to keep him alive.

Valerie immediately called her pediatrician, her surgeon, her state representative and the Children's Defense Fund.

The Children's Defense Fund intervened and appealed to the top levels of the Texas Health and Human Services Commission to defend Tony's access to health care coverage and treatment.



That same day (December 1, 2006) Tony's coverage was reinstated, effective immediately.

Valerie hopes that her next renewal in May 2007 goes smoothly.

Staton Family

GEORGETOWN (north of Austin)



Asthmatic child's coverage dropped twice, lost in paperwork.



For more than a year, Carol Staton struggled to renew her 12-year-old son, Dylan, in CHIP. If Dylan did not need the coverage to manage his serious asthma, she says she would have given up. Carol enrolled Dylan in CHIP in 2003 when private coverage through her job increased from \$150 to \$350 per month, more than 20% of her income. In March 2006, she received notice that Dylan was going to be dropped from CHIP at the end of the month because she had failed to pay the premium at his last re-enrollment. Carol immediately sent in the premium but received another notice in April that coverage had been dropped.

During that month without coverage, Dylan developed strep throat and had to see a doctor. Carol still had part of her tax refund, and from that was able to pay the \$125 for the visit and antibiotics. Before Dylan could develop any other problems, she was able to work with her state representative to restore Dylan's coverage.

In January 2007, Carol had another scare. When she tried to renew coverage she was told that Dylan's coverage would be terminated because her employment and salary information was not readable, despite the fact that none of the information had changed in the past two years. Carol contacted the call center and was told that the image that was scanned into the system did not show her name and was therefore invalid. The call center no longer had the original document because it had been destroyed after it was scanned, even though the renewal process hadn't been completed and approved. "The call center is not helpful when parents have a problem that arises with the paperwork," Carol said. "They do not offer solutions, they just tell clients to 'fix it.'" Only when Carol threatened to contact an advocacy organization did a supervisor intervene and renew Dylan's health insurance.

"I am tired, as I am sure many families are, of this continual paperwork battle with CHIP. If my son did not have asthma and need daily medication, then I would not put my family through this nightmare." —Carol Staton

Espinosa Family

MISSION

Child with Rapidly Advancing Scoliosis went without coverage for five months.

Abigail's mother is a part-time substitute teacher and her father works in construction. The family earns about \$29,000 a year, within the CHIP income range of up to \$40,000 a year for a family of four.

For five months, the Espinosa family unsuccessfully tried to renew CHIP coverage for their 9-year-old daughter Abigail. Although Abigail's mother turned in all the required information, every time she called the CHIP call center, she was told to provide different "missing information" by operators who had no knowledge of her case. First she was told that the state was missing her husband's pay check stub, even though she had submitted his and hers on the same page. Then she was told to submit a letter from her husband's employer verifying his place of employment, even though she had already submitted his latest pay-stub as required. Finally, she was asked to submit a letter verifying that the family does not pay child support or alimony to another home.

Abigail's mother was about to give up when Abigail was diagnosed with rapidly advancing scoliosis. Because CHIP hadn't been renewed, Abigail couldn't see a specialist, and because she had a pre-existing condition, she couldn't be covered by private insurance. It was only when the Children's Defense Fund intervened and worked with the Texas Health and Human Services Commission on Abigail's behalf that coverage was restored.



DeLeon Family

ROUND ROCK (north of Austin)

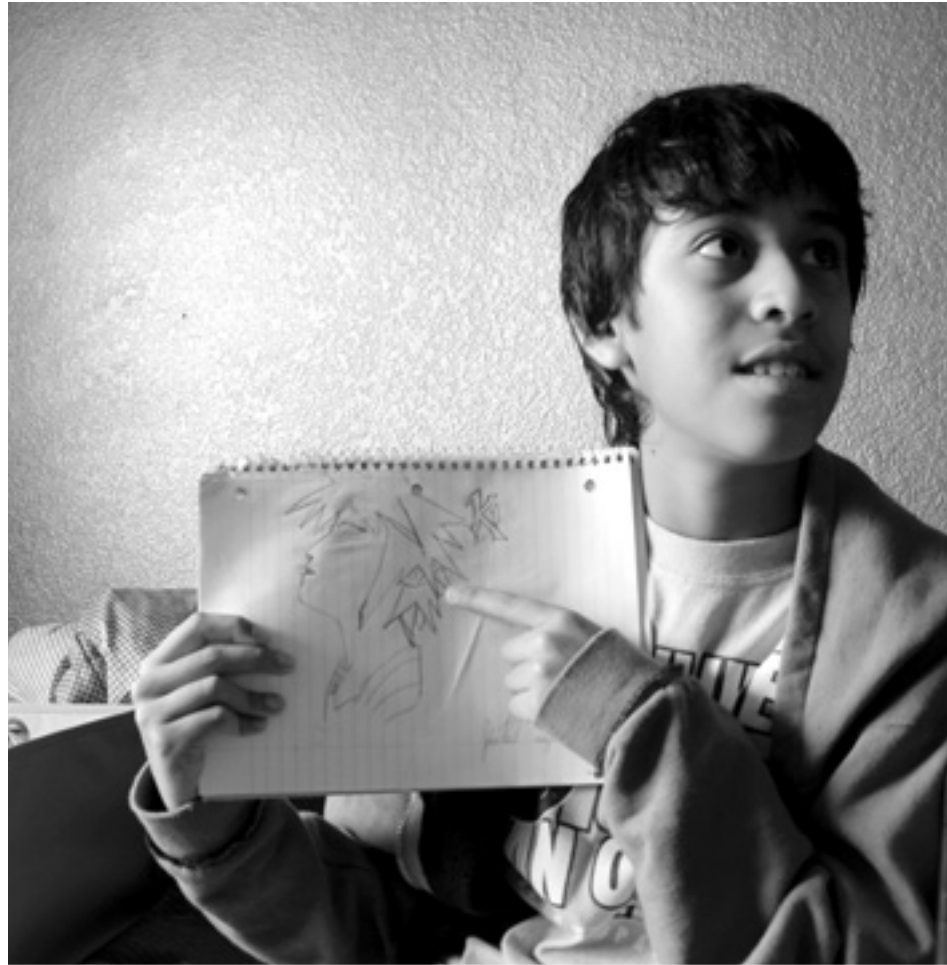
Brothers lost health insurance due to bureaucratic snafus.

Ten year old John Paul and eight year old John Pierre started receiving Children's Health Insurance Program (CHIP) in 2003. Previously they were enrolled in Medicaid. Both programs have helped the boys receive regular check ups and maintain good health. Their first year on CHIP went smoothly, with no interruptions in coverage or difficulty accessing a doctor. Starting in 2004, however, Sonia DeLeon began having problems reapplying for CHIP. Twice she sent in the renewal application by mail as well as by fax. Repeatedly she was told that her packet had not been received, and to keep trying. The result was that John Pierre and John Paul lost coverage for two six-month periods.

Sonia is self-employed and cannot afford private insurance. During the periods of dropped coverage, John Paul suffered from dental problems, and John Pierre developed allergies. Sonia took the boys to Mexico for treatment, as she had family and physician friends there to help. The family made at least three trips to Mexico-two during the week-which resulted in missed school days for the boys, lost work days for Sonia, and a hefty gas bill from driving.

Coverage was finally reinstated in early 2006.

Sonia appreciates the fact that CHIP allows her boys to have good access to care she would otherwise be unable to afford. She hopes that the administration of the program, namely the renewal process, could be made easier so that when families follow the rules, apply on time, and pay the required premiums, they can receive the necessary coverage they rely on.



"Combs" Family*

SAN ANGELO

Two teenagers went without proper medication while their CHIP coverage was denied.

Prozac, Strattera, Adderall and Focalin XR are household names for Karen and her family. Their two teenage children live with Attention Deficit Hyperactivity Disorder (ADHD) and rely on these medications to get through the day.

When Karen and her family lost their employer-based private health insurance, they could no longer afford the costly prescriptions until they enrolled in CHIP. However, last year the family went through a stressful and difficult period when the children lost coverage for two months during the renewal process.

Karen submitted her children's renewal application in mid-August and was told that the children were denied because the family's income was too high. She immediately contacted the CHIP program and informed them that her income had been incorrectly calculated. She received a letter stating that her account information had been reviewed and the decision had not changed. She continued to appeal, faxing numerous letters informing CHIP that her income information was wrong. Each time, she received the same response: "We looked at

your account information and our decision has not changed." Karen finally appealed to officials at the highest level of the Texas Health and Human Services who admitted, in October 2006, that the income had been incorrectly calculated. By that time, however, CHIP coverage had expired.

The children's monthly ADHD prescriptions typically exceed \$400. **Yet during the months without coverage, the family was forced to change all the prescriptions to generic drugs, because they could not afford the brand name medications that the children had been taking. This was a financial hardship to the family, and hard on the children who had to adjust to different medications.**

The family finally got CHIP coverage reinstated in December 2006, due to Karen's persistence. "I imagine a lot of people would have given up before I did," she said.

**Name changed to protect confidentiality*



“Health insurance costs are rising. If you do not have coverage through your employer, it is impossible to do what a family needs to do for children.”

Diez de Pinos Family

LAREDO

Sick Child Denied the Medicaid Coverage She Needs.

Four-year-old Karla was diagnosed with a cystic fibrosis complication while still in her mother's womb. Her premature birth was caused by an obstruction of the bowel which caused her to become constipated and her intestine to erupt. She was airlifted to San Antonio, where she was operated on just four hours after being born.

In her short life, Karla has already undergone multiple surgeries which were made possible through Medicaid. Karla's latest surgery, in which a feeding tube was attached to her stomach, took place in December 2005.

Due to her weakened immune system, the vivacious Karla is home schooled. If she were to fall ill, she would be prone to life-threatening infections. Her parents make a special effort to keep their home as clean and safe as possible.

Although her father works full time as an airlines parts salesman, his job does not offer health coverage for her pre-existing condition and he is unable to afford private insurance. Karla and her brother have relied on Medicaid for their health care needs since 2002. Suddenly, in October 2006, the children were disenrolled from Medicaid and enrolled in CHIP, even though the family's income had not changed.

Karla's father received a letter stating that he had not filed paper work previously requested. He claims that he was never contacted nor sent any information about such a request. After he received the notification, he called the Medicaid office to submit the requested information but after several attempts to get through was told that it was too late.

As of January 2007, Karla and her brother are still enrolled in CHIP. CHIP does not fully cover all of Karla's medications or her doctor's visits and exams at the Cystic Fibrosis Clinic. The Diez de Pinos family is doing everything within their means to stretch every dollar and medication to sustain and prolong Karla's life, but they are unable to afford the specialized medical care she needs.

Karla's dad implores legislators to give his daughter the comprehensive benefits offered by Medicaid. He says that his little girl, who is a U.S. citizen, deserves to have access to the health care she needs to make it to her fifth birthday and be as healthy as she can be with cystic fibrosis.



“In Karla's case, medical care is not enough. My family must go through strenuous depths to keep a clean and safe home environment for Karla; her life depends on it. I do not ask for anything for myself, it is for my little girl, for Karla who is a U.S. citizen and deserves to have access to the health care that she needs to survive.”

– Carlos Diez de Pinos, father



A Few Dollars Over

Children a Fraction Above the Income Limit are Cut From Coverage

one solution

Far too often, families earn a fraction above the income limit, and their children lose health coverage. One solution is a buy-in program, successfully used by other states to **allow higher income families to pay for CHIP coverage on a sliding scale basis.**

It's a good deal for families and for taxpayers, too. According to the Texas Department of Insurance, the average cost of private family coverage is \$900 a month – two full paychecks for some families and clearly out of their reach. Small businesses are also feeling the squeeze of rising health insurance costs and are unable to insure their workers.

CHIP and Medicaid provide cost-effective affordable health coverage to millions of American children at a cost 31% lower than private health insurance. By allowing higher income families to buy into CHIP and Medicaid, **Texas can cover more children and reduce the strain placed on employers and local emergency rooms.**



Seventeen year old Jason Everett has relied on CHIP health insurance for years, and the coverage has been life saving. When he was in a car wreck over a year ago, CHIP covered his treatment and all the medical bills. The Everetts work hard, but the father's employment in pest control provides only about \$35,000 annually. His earnings depend on the season, and the winter months are especially hard. Mrs. Everett is wheel chair bound with Multiple Sclerosis and has significant health care expenses. The family cannot afford private health coverage, which costs around \$900 a month – a full third of their family income.

Jason lost CHIP in 2005 when new income guidelines went into effect that no longer counted children over age 18 as family members. Even though Jason's older sister Jessica, a full-time student, lives at home, she is not included in the family size. **As a result, the family earns about \$50 a month more than the income limit for a family of three.**

Since Jason lost health insurance, he has missed many days of school due to allergies. Sometimes his allergies are so bad that his eyes become swollen and he is unable to breathe. **His parents can not afford his health care, so he struggles to carry on.**

The entire family is uninsured.

A family earning \$35,000 a year is \$50 a month above the CHIP income limit and the children lose health insurance.

“Families need to be able to get health insurance for their children. All children should have insurance. Things are not cheap; you got to live, pay utilities, buy food. With the \$35,000 my family earns a year, private insurance is too high. Lawmakers need to keep this in mind for families.”

–Corrine Everett

Feeney Family

AUSTIN

A family at risk of becoming uninsured.

Bridget Feeney and her teenage daughter moved to Austin from New Hampshire during the summer of 2006, to be near family. It was important for Bridget to enroll her daughter Kelley in health insurance right away. In New Hampshire, Kelley was covered by a state-administered health plan.

When the Feeney family initially applied for CHIP at an Austin health fair, Bridget was told that she earned **\$100 more than the income limit** for a family of two. Bridget found herself out of work shortly thereafter, and tried to apply for CHIP again. She was told by the Texas Health and Human Services office that Kelley would now qualify for the Children's Medicaid program.

Bridget proceeded to resubmit her information, and was told that it would take an additional 45 days to complete processing. She was never given a client number, and to date, has never received any type of information or confirmation in the mail regarding her application.

Bridget recently secured full-time employment after months of searching for work, but the small business cannot afford to offer insurance coverage for dependents of employees. Bridget believes that her new income level may enable her to qualify for the CHIP program, but she is disillusioned and frustrated with the application process.

Kelley, a 16 year old who suffers from chronic asthma, feels fortunate that she has remained healthy since the move to Texas, but she was accustomed to the regular check-ups that helped keep her condition under control. She hopes to have regular doctor visits again in the near future.

Bridget misses New Hampshire's plan, which she says is similar to CHIP in theory, but was **much easier to apply and qualify for**, and **much more accessible to families**.



Waiting and Worrying **THE 90-DAY DELAY**

“Shame on you, Texas! Texas could learn a lot by looking at the other states that have accessible, affordable health care coverage for children.”

—Bridget Feeney

90-day delay

The current 90-day waiting period for CHIP **denies care to newborns and seriously ill or injured children** even if they have no private health coverage. Children with serious conditions like cancer and diabetes cannot afford to wait for health coverage. **Texas can fix this problem** by allowing newborns, chronically ill and uninsured children to **receive coverage immediately** without being subject to a waiting period.

De La Fuente Family

DONNA (Rio Grande Valley)

An eligible child must wait 90 days to receive health coverage.

Seven-year-old Victoria has been suffering from allergies all of her life. When she was covered under the Children's Health Insurance Program, her allergies were kept under control with regular visits to the doctor and allergy treatments. However, in February 2006, Victoria became **uninsured** when her mother, Aidee, **took on an additional job to help make ends meet** and the new income **exceeded the CHIP eligibility guidelines by \$57 a month** for a family of two.

Aidee is a single mother who works very hard to provide a decent life for her daughter. Even working two jobs, she **cannot afford private health insurance**, which at \$489 per month is more than a third of her income.

Earlier this year, Victoria developed a skin rash extending from her lower back all the way to her knee on her right side. **She is embarrassed by the appearance of the discolored blotches on her leg and does not wear shorts any more. She has also stopped participating in extracurricular activities such as ballet and cheerleading. Aidee fears that her daughter's skin condition might be associated with something more serious, but doctors have not been able to diagnose Victoria correctly.** Aidee now treats Victoria's skin condition with over-the-counter medication, and sometimes goes to Mexico to seek less expensive medical attention.

Treating Victoria's allergies and skin condition has depleted Aidee's savings, and Aidee's second job has become necessary to pay for doctor's visits, medications, and other expenses related to Victoria's medical care. During the month of June alone, Aidee spent over \$300 on medicine and doctor's fees for Victoria.



Aidee reapplied for CHIP coverage and recently learned that she now qualifies. She is anxious to have Victoria examined by an experienced dermatologist. Because CHIP requires all new applicants to wait 90 days to receive coverage, coverage won't kick in until May 2007. May 2007 marks 15 months that Victoria has gone without health insurance.

“I must maintain two jobs to keep up with medical expenses, and I am unable to save anything towards Victoria's future.”

– Aidee De La Fuente

Mason Family

AUSTIN

CHIP helps a child with cancer, but five-month wait delays critical care.



Linda Mason first applied for Medicaid for her two children, Jasmine and Billy, while she was undergoing a difficult and emotionally devastating divorce. The children's father could not provide insurance coverage for them through his employer, and Linda was a part-time student with a part-time job that did not offer health coverage for her or the children. Linda applied for and received Medicaid coverage for her children, because she could not afford the out-of-pocket expenses for doctor's visits and health screenings. Billy had been having difficulties at school because he could not see the chalkboard in class – a problem that was immediately corrected by a vision screening during a regular Medicaid check-up.

When Linda landed a full-time job in a local dentist's office, her family no longer qualified for Medicaid coverage. While her job offered health coverage for her, it didn't cover the children. She decided to apply for the CHIP program, so that her children could continue to go for regular check-ups.

It was during this period that 12-year-old Jasmine was diagnosed with Hodgkin's lymphoma, a form of cancer.

However, due to delays with the CHIP enrollment process, it took five months for the application to be approved, even though all the required information had been submitted in a timely manner.

Jasmine's much needed lymphoma treatment was delayed because her CHIP coverage had not been approved. Linda missed days at work whenever Jasmine or her brother was ill, and both of the children missed school frequently. The family also suffered financial hardship, paying for doctor visits out of pocket, and Linda was overwhelmed with fear and anxiety about Jasmine's illness. Despite all of the difficulties, once CHIP kicked in, Jasmine was able to receive the treatment she needed. Her cancer is now in remission, and she is doing well in high school.

Rohrer Family

KINGWOOD
(north of Houston)

Applying for CHIP, a 45-day process took five months.



When Karen Rohrer called the Children's Defense Fund in August 2006, she had been unsuccessfully trying for months to apply for CHIP. A hard-working and devoted single mother of two teenagers, Karen was desperate to secure health coverage for her kids.

Her son suffers from clinical depression and Attention Deficit Disorder. His life-sustaining prescriptions cost several hundred dollars a month.

While he was uninsured, Karen had difficulty affording his medicine and would ration his doses by cutting pills in half and hoping that the

medication would last until the CHIP coverage began.

Karen's daughter also needs medical attention. She suffers repeated fractures due to a brittle bone condition.

The Children's Defense Fund appealed to the highest levels of the Texas Health and Human Services Commission, which immediately activated the coverage.

Grateful to finally have medical care for her children, Karen immediately paid a \$50 enrollment fee in September, and began taking her children to appointments and routine checkups. She hoped

that the frustration that she had experienced with the CHIP enrollment process would be a distant memory.

But just one month after Karen paid her enrollment fee, she received a letter, dated October 25, 2006, requesting that she pay an enrollment fee of \$35.00 by July 17, 2006, or her children would lose coverage.

Karen was outraged. She had already paid \$50 – more than the required fee – just a month before. The Children's Defense Fund helped her to resolve the problem, but Karen worries that she will face the same hassles when she has to renew the certification.



“This isn’t just an issue of children being inconvenienced and having to wait a little longer for health coverage. This is a matter of **LIFE and DEATH** for many Texas children. This is a matter of the parents having to look at themselves each day and feeling like they have failed their children. They see them suffering but cannot do anything to help because their hands are tied. How many parents are watching their children suffer because they don’t know they have a voice? The saddest fact of all is that it shouldn’t be that way; we live in a country where our children shouldn’t have to suffer. The fact that we have children’s health insurance programs in place but children are being unjustly denied benefits should boil every Texan’s blood.”

—Karen Rohrer

Punitive Assets



Texas is one of only two states in the nation with a CHIP asset test. The asset test prevents families with small savings accounts and certain vehicles from receiving health coverage. A second vehicle worth \$4,650 is allowed, but more reliable transportation is counted as an “asset.” Under this policy, a 1996 Chevy pick up truck with 140,000 miles is allowed, but **more reliable transportation may cause a child to lose their coverage.**

Working parents need reliable transportation so that they can get to and from their jobs. **Children shouldn't be penalized** when a parent puts aside money for a down payment on a home or savings for a child's college education.

Homeowner's insurance made Hurricane Rita survivors ineligible for CHIP.

When Hurricane Rita struck East Texas in September 2005, Tina and Carlos Garcia, and their ten year old daughter, Gabriela, braced themselves and prepared for the worst. Their old house suffered extensive damage from the hurricane, but fortunately, they survived the storm. Little did they know that their troubles had just begun.

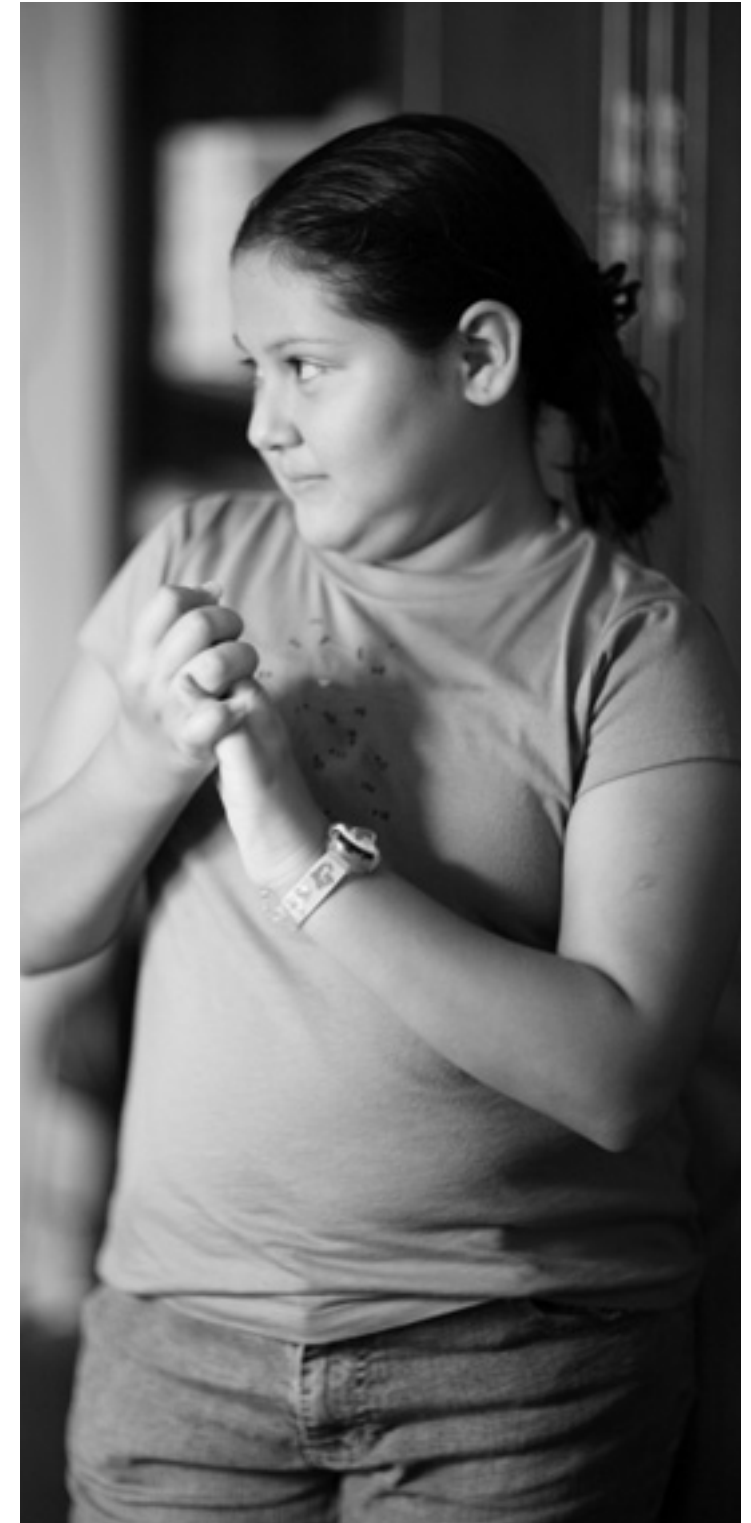
After the storm, the Garcias received payments from their homeowner's insurance to repair their home. The family thought nothing about putting the money aside in a savings account to pay for a contractor, materials and a hotel stay while their home was being repaired. Who would have guessed that the insurance would have prevented their child from getting health insurance? But that's exactly what happened. The check was considered a liquid asset, putting the family above the eligibility levels for CHIP. As a result, Gabriela, who had received continuous CHIP coverage for the last seven years, lost her health insurance.

Gabriela's father works at a local irrigation company, and her mother is disabled. They could not afford private health coverage for Gabriela and she was forced to go without care.

While she was without coverage, Gabriela suffered from **severe headaches, sinus infections and breakouts.** She was sent home from school on several occasions, and missed more than **28 days of school.** Gabriela was ordered to see a specialist regarding her allergies but her family could not afford to take her.

To make matters worse, during this time Tina found a lump in her breast and nasal cavity and needed emergency surgery and treatment. The mass was removed and not cancerous, but the scare placed additional strain on the family as they struggled to rebuild after the hurricane.

“It was frustrating. My daughter needed medical attention and I was unable to pay for it,” Mrs. Garcia said. It took five months to restore Gabriela's coverage and treat her chronic conditions—but only after much needless suffering.



“CHIP provides confidence and a peace a mind.”

Dumas Family

HOUSTON



Sick Child Denied Medicaid Coverage.

Deanna is a veteran and mother of three children ages eight, six and four. She earns \$1,200 a month working full time. She is also a **full-time student** attending college through the GI bill.

In April 2006, her children **lost Medicaid** and became **uninsured**. Deanna was told that they did not qualify because she has two vehicles in her name. Deanna owns a 2002 Honda Accord and used her good credit to co-sign a vehicle for a friend. Deanna was referred to CHIP and told to wait

another 45 days. Although it is evident that this family of four making \$1,200 monthly should qualify for Medicaid, the mother attached a copy of the Medicaid referral letter along with the CHIP application and sent it in. Deanna's children were bounced between Medicaid and CHIP, and their coverage was in limbo. Deanna found the entire process very confusing and frustrating.

While they were between coverage, **one of the children had to be taken**

to the emergency room twice and was hospitalized with mononucleosis. In addition, Deanna had to cancel much needed dental appointments and has visited area clinics for vaccinations.

After several months without health insurance, the issue was resolved and the children are now insured. Deanna is still trying to resolve the emergency room bills but she is relieved to know that she can take the children to the doctor when needed.

“Lawmakers should not judge. They need to investigate what the situation is. They took me off assistance because of assets. I was never given time to explain my situation, and my children were denied everything.”

– Deanna Dumas

When a Fixed Income Isn't Enough: Grandparents Raising Grandchildren

More than **260,000 Texas grandparents are responsible for their grandchildren.** Many have stepped in to protect their grandchildren who have been neglected, abused or abandoned by their parents. Or they are providing additional support to parents who are disabled and cannot fully care for their children.

But **devotion and love are not enough** to keep the grandchildren out of harm's way. They need something that is virtually unaffordable for grandparents on a fixed income—health insurance.

Grandchildren lost coverage for six months due to coverage and processing errors.

Concerned about the welfare of their grandsons, Dorothy Shaw (age 67) and her husband (age 68), adopted their grandsons, Clay and Cody, in 1999.

The boys, now 14 and 13 years old, have had poly-cystic kidney disease since birth. Clay's condition is especially bad. At age 14, he weighs only 85 pounds. Neither boy can participate in contact sports, and they must carefully monitor their diet and health as any infection could result in kidney failure.

The boys had always had health coverage through CHIP until last year, when they were uninsured for six months while Dorothy attempted to renew their coverage.



Dorothy submitted the renewal paperwork on time and paid the enrollment fee as directed. But she never received the insurance cards in the mail. She kept calling and calling, and still no cards arrived. A full six months went by, and the children still had not received coverage.

During this time, one of the grandsons broke his arm in two places, and Dorothy and her husband had to drive to Livingston, 123 miles away, and pay out of pocket for care. The hospital put the child's arm in a splint and sent him home.

When coverage was finally restored, the Shaws, who live on a fixed income and have their own health care needs, were relieved. "It took a lot off our minds when the boy's coverage was restored," Dorothy said. "The boys now have pediatricians. It's a great relief."

With coverage, the boys' health is improving. They have access to critical specialty care. Clay is going to the endocrinologist and is gaining weight.

Dorothy hopes that lawmakers will act to prevent these problems from happening in the future.

“So many older people are raising their grandchildren and need special help. Children should not have to suffer. Kids are kids and they did not ask to be here. They expect us to take care of them. When you live on a fixed income it's difficult. We can not take care of these children on what we make. We don't drive a Cadillac, but a Kia. CHIP was fine for a couple of years; now it is all messed up.”

—Dorothy Shaw

San Miguel Family

SAN JUAN (Rio Grande Valley)



Granddaughter lost CHIP due to mistakes and delays in the renewal process.

Fifteen year old Carolina has always been a healthy and active child. Several years ago, she was adopted by her now-retired grandparents. Two years ago, Carolina had arthroscopic surgery on her right shoulder after she dislocated her shoulder joint. Her medical expenses, including physical therapy, were covered by the Children's Health Insurance Program (CHIP). Carolina's doctor warned the family that she might need another surgery if the initial surgery did not correct the problem. Before the operation, Carolina enjoyed playing sports and other physical activities. She was the only female on the football team, and she played basketball.

In December 2005, Carolina's grandparents (who are in their 70s) became very frustrated with all of the delays and mistakes they encountered when they tried to renew her CHIP coverage. The first mistake came in the way of a letter they received on December 16. Dated December 12, it asked for proof of income to be submitted by December 6. Shortly after, they received a letter denying Carolina's coverage because the requested information had not been provided by the deadline. In January, the family submitted an appeal letter, but was notified by mail that Carolina would not be able to reenroll in CHIP. In June 2006, the family attended an event sponsored by the Children's

Defense Fund and was able to get assistance in re-applying for Carolina's coverage, which was finally restored some weeks later.

Carolina is seeking a second opinion regarding the necessity of another surgery. Her shoulder pain has become worse, but she feels fortunate that it did not become critical during the time that she was without coverage. Her medical expenses, therapy, routine check-ups and yearly physical are now covered by CHIP, and for that her grandparents are grateful.

“Our children need CHIP, but we need competent persons to process the applications. With CHIP, though, we feel at ease that if Carolina gets sick, she will be able to get the medical care she will need.”

—San Miguel family

The Uhr Family

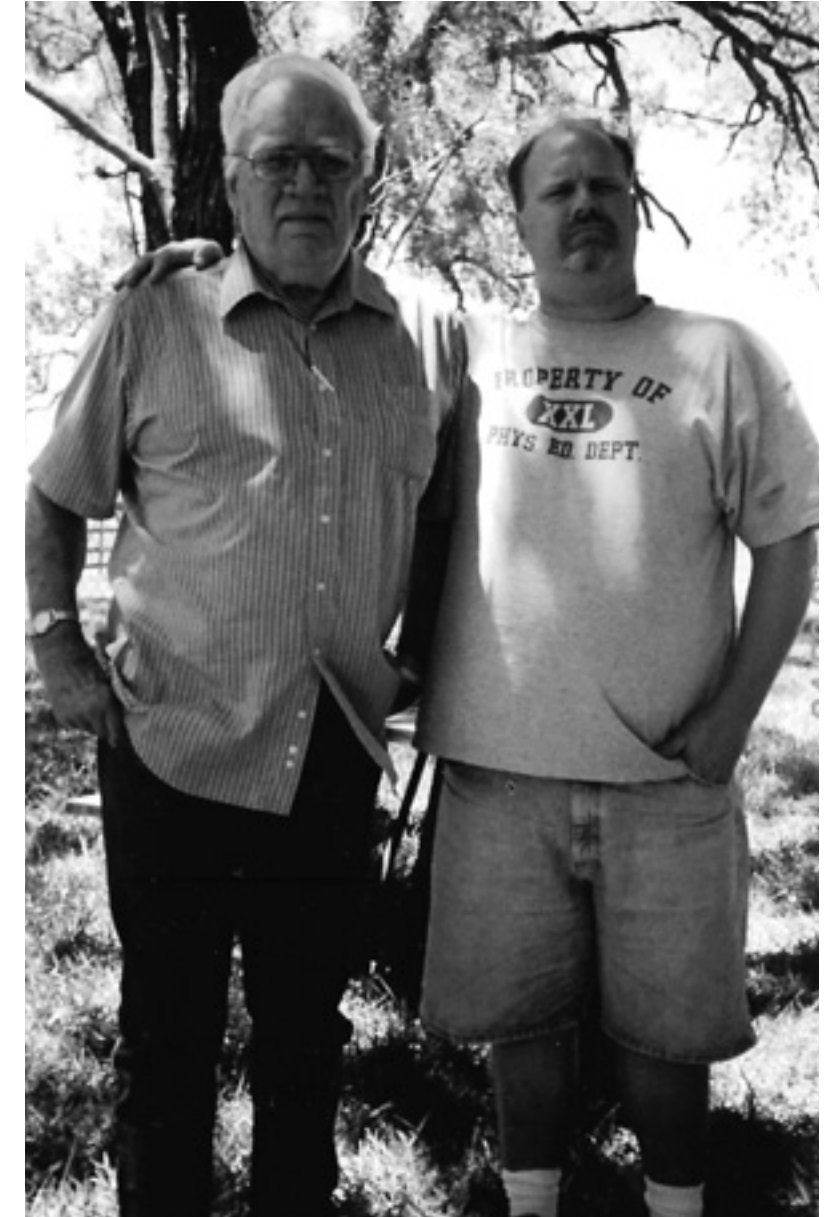
Grandfather lives in HOUSTON, son and grandson live in LOCKHART (Central Texas)

Grandfather advocated a full year for his grandson's health coverage.



Richard Uhr, a retired AT&T employee, worked for a full year to renew his grandson's CHIP coverage. Richard's son, Robert, is deaf, so as a result, Richard advocates for his grandson's health insurance, calling CHIP “the worst fight I've ever been involved in.”

Over a year-long period, Richard received 18 letters requesting different—often conflicting—missing information on his grandson's case. Names and case numbers were incorrect, information was lost and the family was continually asked to submit information that they had already provided. Richard even went to Austin to testify about the problems he had experienced in renewing his grandson's coverage. He showed a panel of lawmakers the letters that he had been sent and closed his testimony with the approval letter that he had received only after the Children's Defense Fund intervened on his behalf. “I'm taking this as gospel that my grandson will now have health coverage,” Richard Uhr said. Unbelievably, on the day that Richard testified in Austin, he received yet another letter. It told him that he needed to submit missing information or his grandson would lose his health coverage.



“I feel I have a whole football field of kids behind me, and I'm out here speaking for them.”

—Richard Uhr

No Relief
After the Storm:
Hurricane Katrina

Approximately **251,000 Katrina evacuees remain in Texas** after fleeing Hurricane Katrina. They left everything behind as they sought safety for their children.

Unfortunately, they also **lost their health coverage**, as the Louisiana CHIP program did not transfer across state lines. Now, only 33% of Katrina evacuees receive Medicaid, compared to 41% before the storm. **Only 11% use CHIP, compared to 23% in Louisiana.**

Worst of all,
a staggering 30% of Katrina children in Texas lack health insurance, as opposed to 8% before the storm.



Children lost health coverage when they crossed state lines.

Kim Bazile was one of 300,000 New Orleans residents who came to the city of Houston fleeing Hurricane Katrina. Along with her home and belongings, she also lost health coverage for her children, Sydney, age 11 and Paris, age four. Kim found work at a local school district, but as a single mother could not afford the costly private health insurance premiums for her children.

Both children have severe asthma and allergies that need to be closely managed by a physician. The children used to be covered by the Louisiana CHIP program, but the health coverage did not transfer across state lines. Kim tried for months to get the children enrolled in the Texas Children's Health Insurance Program. **She thought the process would be simple because in New Orleans the whole process,**

from start to finish, took about 30 days. In Texas, she never heard anything for a month and a half after she applied, when she was told to provide numerous forms of missing information.

For example, Kim was asked to provide a copy of a child support order from the court in New Orleans, despite the fact that the court never reopened since the storm hit so it was impossible for her to obtain the documents.

While the children were uninsured, Kim struggled to find ways to pay for doctor's visits and medications out of the family's already over-extended resources. **Most distressing was the need to postpone a previously scheduled surgery for Paris because the healthcare provider under the Texas CHIP program refused to pay**

the previously scheduled hospitalization for the procedure. Paris was placed on continuous medication until another physician and hospital could be chosen under the new health plan. She often repeated various tests because she had to frequently change physicians.

In June, Kim's children were finally given retroactive coverage, but it ran out two months later. After extensive intervention, Kim's children were enrolled in CHIP in September 2006 – a full year after the storm hit.

Currently, Paris' pending surgery has been rescheduled another time. **Kim hopes that that there won't be any more delays and that their frustrating ride on the "recertification roller coaster" has come to an end.**

Allen Family

AUSTIN



Valencia Allen and her three children, 12 year old Kevin, 16 year old Monica and 18 year old Pedro are still adjusting to life in the Texas after Hurricane Katrina. Veronica is disabled and provides for the family on a fixed income.

After temporary Katrina Medicaid ended for evacuee families, Valencia found it difficult to access health care for the children, and they lost their coverage. It took more than a year for the coverage issues to be resolved.

“The process to get health coverage for my children was very complicated and difficult,” Veronica said. “I was stressed and depressed.”

The children were in desperate need of help while they were uninsured. Valencia thought the children were suffering from Post Traumatic Stress Disorder (PTSD), but without insurance, she was unable to get them evaluated for counseling or treatment.

Her oldest child, Pedro, suffered episodes of depression and dropped out of school because he couldn't handle the stress. Monica had to go without treatment for Sickle Cell Anemia.

Today, the children have health insurance and Valencia is able to get her children much needed help. “It is important that my children are able to function and make good choices,” she said.

“The health coverage process in Texas is too complicated. Is Texas really trying to provide medical care for the less fortunate? The entire process needs to be revamped. Families do not need the misery. Children’s health should be the number one priority.”

—Valencia Allen

The Solution is Clear and Doable:

Cover All Uninsured Children

It's the Smart Thing to Do for Texas Children and Texas Taxpayers.

Children's health insurance programs that work effectively and efficiently can make a tremendous difference to low-income working families and to local taxpayers. Children receive care for chronic conditions and perform better at school. Parents don't have to worry about how they will pay for the medical bills if their children are sick and injured. Local taxpayers don't have to absorb the staggering costs of emergency room visits. Small businesses are able to offer low-cost health coverage to their employees without jeopardizing their bottom line.

With effective and cost-effective children's health insurance programs, everybody wins.

CHIP helped child do better in school.



Kyle Harvey is a nine year old boy with vibrant red hair and a wide smile. At first glance, he looks like a typical healthy boy. But Kyle has chronic asthma, migraines and Attention Deficit/Hyperactivity Disorder that require ongoing medical attention. His mother, Lorna, is a small business owner who cannot afford private health insurance. She learned about CHIP during an awareness day in Houston and credits the program with improving Kyle's quality of life and helping him perform well in school.

Before Kyle enrolled in CHIP three years ago, he did not have a pediatrician and often went to the emergency room when his asthma and migraines flared up. His ADHD was left untreated and he had significant difficulty in school.

With CHIP, Kyle is able to visit a doctor regularly and obtain the medications he needs. He is finally earning A and B grades and making friends, and was healthy enough to attend summer camp for the first time.

Without CHIP, Lorna never would have been able to afford the \$770 in medications that Kyle takes each month to manage his ADHD and other health conditions.

Alarcon Family

ODESSA

Medicaid and CHIP make affordable vision and dental care a reality.

Connie Alarcon works for a local nonprofit organization. Although she has access to private health insurance through her job, she can not afford to cover her children. Since birth, her 13 year old daughter, Olivia, and 11 year old son Eddie have gotten their health coverage through CHIP.

Connie's children rely especially on CHIP for affordable vision and dental care. **"Affordable vision and dental care is really important for my children, and without health insurance it would be very expensive,"** Connie says. She is



especially appreciative that dental and vision have been restored to CHIP, as she had difficulty providing these services when they were removed from the CHIP benefit package from 2003 to 2005.

Connie's children have never lost coverage, but there was a time during the renewal process that her children

were in jeopardy of losing their health insurance. She often took extended lunch breaks, waiting in long lines to work out coverage issues. Connie is grateful for the affordable coverage provided by CHIP and Medicaid and wants lawmakers to know how valuable these programs are for Texas children.

Hernandez Family

WACO

Maria Hernandez and her husband are the parents of ten year old Vanessa and five year old Samantha. Both parents work full-time and for many years were able to provide private health insurance for the family. When their financial circumstances changed for the worse, they could no longer afford private health care premiums and enrolled their daughters in CHIP. Since 2005, the girls have received routine medical check-ups and regular school vaccinations. Maria feels confident allowing the girls to participate in school activities and sports. Knowing that the girls are covered gives her peace of mind, especially because they will be able to receive medical attention in the case of an emergency.

When private insurance became unaffordable, CHIP made health care possible.

"We are very fortunate to have this program for our girls. If CHIP did not exist, our daughters and many other children would have to go without adequate medical coverage."

-Maria Hernandez

INSURE TEXAS KIDS CAMPAIGN

TEXAS CHIP COALITION / INSURE TEXAS KIDS CAMPAIGN

Saving Texans Money – Keeping Children First

9 million children in America are uninsured, including 1.4 million Texas children. Texas children deserve effective care, so they can grow and learn, and so their parents can spend their days at work, not at the emergency room. Texas taxpayers deserve efficiency, so tax dollars are spent on health care, not correcting bureaucratic mistakes. When Texas kids are healthy, everyone wins. This isn't about politics, it's about doing what's right for our kids.

Uninsured Children in Texas

- Texas has the nation's **highest rate of uninsured children**, with one in five kids lacking coverage.
- **More than 80% of uninsured children have at least one working parent**,¹ but private health insurance is often too costly for families to afford, averaging over \$900 a month according to the Texas Department of Insurance.
- More than **half of the 1.4 million uninsured children in Texas are eligible for but not enrolled in the Children's Health Insurance Program or Children's Medicaid**.
- **CHIP enrollment has dropped by more than 181,000 children (36%)** since state budget cuts took effect in 2003. **Medicaid enrollment has dropped by 69,000 children since December, 2005.**²
- **More than 70% of Texas children that lost CHIP and Medicaid became uninsured.**³ Children without health insurance are four times as likely to rely on emergency room treatment for routine care, at a staggering cost to local taxpayers.
- Texas has already lost more than \$900 million in federal matching funds by not fully funding CHIP.

The Cure - Cover Uninsured Texas Children through CHIP and Medicaid

- Implement 12 months continuous eligibility for CHIP and Children's Medicaid
- Eliminate bureaucratic roadblocks to encourage personal responsibility and help low income families achieve self-sufficiency:
 - a. Fix problems with the Integrated Eligibility System to prevent eligible kids from losing CHIP and Medicaid coverage.
 - b. Eliminate the CHIP asset test.
 - c. Eliminate the CHIP 90 day delay of coverage for uninsured children.
 - d. Deduct childcare and child support expenses when calculating income for CHIP.
- Provide adequate reimbursement for Medicaid and CHIP providers.
- Invest in outreach and education to enroll eligible children in coverage.
- Create a CHIP buy-in program to allow higher income families to purchase coverage at an affordable cost.

**For more information, contact Children's Defense Fund Texas,
713.664.4080, bbest@childrensdefense.org.**

¹ U.S. Census Bureau Current Population Survey Annual Social and Economic Supplement 2005

² All enrollment statistics based on HHSC reports available as of 2/26/2007

³ 2006 University of Florida Institute of Child Health Policy study commissioned by Texas HHSC

TEXAS CHIP COALITION/ INSURE TEXAS KIDS CAMPAIGN

The following organizations have endorsed the Texas CHIP Coalition Principles and Insure Texas Kids Campaign for the 80th (2007) Texas Legislative Session

Statewide Organizations

Advocacy Inc.
Aetna Health Inc. (Texas) – Medicaid Services
American Association of University Women
AMERIGROUP Texas
Any Baby Can – Texas
Catholic Health Association of Texas
Center for Public Policy Priorities
Children's Defense Fund of Texas
Children's Hospital Association of Texas (CHAT)
Children's Hospitals and Related Institutions of Texas (CHARIOT)
Coalition for Nurses in Advanced Practice
Council of Families for Children
League of Women Voters of Texas
March of Dimes
Mental Health Association in Texas
Methodist Healthcare Ministries
National Council of Jewish Women, Texas State Public Affairs
Texans Care For Children
Texas Academy of Family Physicians
Texas Association for Infant Mental Health (TAIMH)
Texas Association of Community Health Centers
Texas Association of Community Action Agencies (TACAA)
Texas Association of Health Plans
Texas Association of Public and Nonprofit Hospitals
Texas Cooperative Extension
Texas Dental Association
Texas Dietary Managers Association
Texas Federation of Teachers
Texas Hospital Association
Texas IMPACT
Texas Medical Association
Texas National Organization for Women (NOW)
Texas Network of Youth Services (TNOYS)
Texas Nurses Association
Texas Oral Health Network
Texas Pediatric Society
Texas State Employees Union / CWA Local 6186
TexProtects: the Texas Association for the Protection of Children
United Ways of Texas

Local and Regional Organizations

Austin Area:

Austin/Travis County Community Health Centers insure a kid
Lone Star Circle of Care (Georgetown)
People's Community Clinic
Seton Asthma Program
Seton Family of Hospitals
Superior Health Plan
Travis County Medical Society
Volunteer Healthcare Clinic

Beaumont:

Beaumont Independent School District
Beaumont Public Health Department
Ben Rogers/Lamar University/BISD "I Have a Dream" Program
Catholic Charities of the Diocese of Beaumont, Inc.
IEA - Inspire, Encourage, Achieve/Ben Kid's Faith Christian Center Church
Memorial Hermann Baptist Hospital
Texas Cooperative Extension - Jefferson County

Corpus Christi:

CASA of Corpus Christi
Driscoll Children's Health Plan

Dallas:

Broadband Specialists, Inc. – Safety Committee
(Mesquite)

Central Dallas Ministries
ChildCareGroup
Children's Medical Center Dallas
City of Dallas WIC program
Community Dental Care
Community Hospital Corporation (Plano)
Dallas Area CHIP Coalition
Dallas Concilio of Hispanic Services
Fit-for-Me Foundation, Inc.
Greater Texas Chapter, National Association of Pediatric Nurse Practitioners
Head Start of Greater Dallas
LEAN Families Program
National Council of Jewish Women, Greater Dallas Section
Phoenix House
PT Home Services of Dallas
Sante Pediatrics
Shared Housing Center
Temple Emanu-El
United Way of Metropolitan Dallas
UroMed, Inc. (Carrollton)

El Paso Area:

Border Children's Health Center/Providence Memorial Hospital
El Paso Federation of Families
El Paso First Health Plans
El Paso Pediatric Society
Superior Health Plan
SW Youth Empowerment Services (SW-YES)

Fort Worth:

Catholic Charities, Diocese of Fort Worth
Cook Children's Health Care System
Cook Children's Medical Center
Cook Children's Health Plan

Galveston:

Galveston County Medical Society
UTMB Choice One

Houston Area:

The ARC of Greater Houston
Asian American Health Coalition of Greater Houston, Inc.
Bluegate Corporation
Catholic Charities of the Archdiocese of Galveston-Houston
Center for Faith and Health Initiatives
Child Care Council of Greater Houston, Inc.
ChildBuilders
Children at Risk
Children's Memorial Hermann Hospital
Community Doula Program
DePelchin Children's Center
Family Services of Greater Houston
Family Life Ministry, Archdiocese of Galveston-Houston
Coalition for the Homeless of Houston/Harris County, Inc.
Collaborative for Children
Gateway to Care
Harris County Healthcare Alliance
Harris County Hospital District
Healthcare for the Homeless - Houston
Houston-Harris County Immunization Registry, Inc.
Houston ISD Health and Medical Services
Houston Parks and Recreation
IntraCare Medical Center Hospital
IntraCare North Hospital
Legacy Community Health services, Inc.
The Living Bank
Lone Star Community Health Center, Inc.

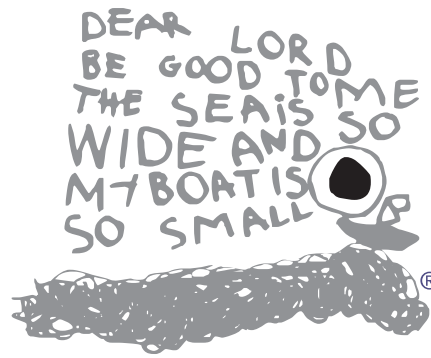
Neighborhood Centers, Inc.
Memorial Hermann Healthcare System
Mir, Fox & Rodriguez P.C.
National Association of Hispanic Nurses / Houston Chapter
Northwest Assistance Ministries
One Voice: A Collaborative for Health and Human Services
Park Yellowstone YMCA
San Jose Clinic
Sisters of Charity of the Incarnate Word
Strategy Source
Texas Children's Health Plan
Texas Children's Hospital
United Way of the Texas Gulf Coast
UroMed, Inc.
Waymaker Life Strategies, Inc.
YMCA of Greater Houston

San Antonio Area:

Any Baby Can – San Antonio
Community First Health Plans
Child Advocates San Antonio
Christus Santa Rosa Children's Hospital
Methodist Children's Hospital
San Antonio Food Bank
San Antonio Hispanic Chamber of Commerce
San Antonio Nonprofit Council
Sante Pediatrics
Sante Rehabilitation Group
United Way of San Antonio & Bexar County
Voices for Children of San Antonio

Other Regions:

Any Baby can – Texas Hill Country (Kerrville)
Big Bend Community Action Committee, Inc. (Marfa)
Children's Defense Fund – Rio Grande Valley
Combined Community Action, Inc. (Giddings)
Community Action Committee of Victoria, Texas
Community Action Corporation of South Texas (Alice)
Community Action Council of South Texas (Rio Grande City)
Community Action, Inc. of Hays, Caldwell, and Blanco Counties
Community Council of reeves county (Pecos)
Covenant Health System (Lubbock)
First United Methodist Church – Women's Discussion Group (Denton)
Hill Country Community Action Association, Inc. (San Saba)
Henderson Memorial Hospital (Henderson)
Helping Restore Ability (HRA, Arlington)
Infant and Toddler Intervention Program (Collin, Denton, & Wise counties)
Mark 4 (Lewisville)
McLennan County Youth Collaboration (MCCYC-Waco)
Migrant Health Promotion (Progreso)
Mother Frances Hospital (Tyler)
N.E.T. Opportunities, Inc. (Mt. Vernon)
Panhandle Community Services (Amarillo)
Potter's Vessel Ministries (Waco)
St. Joseph Health System (Bryan)
Smart Start Child Care Association (Waco)
Smithville Community Clinic
South Plains Community Action Association, Inc. (Lubbock, Levelland)
Texas Neighborhood Services (Weatherford)
Trinity Clinic (Tyler)
Trinity Mother Frances Health System (Tyler)
United Way of Hays County



Children's Defense Fund

CDF Mission

The Children's Defense Fund's Leave No Child Behind® mission is to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

CDF CONTACT INFORMATION

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CDF AUSTIN and TECEC

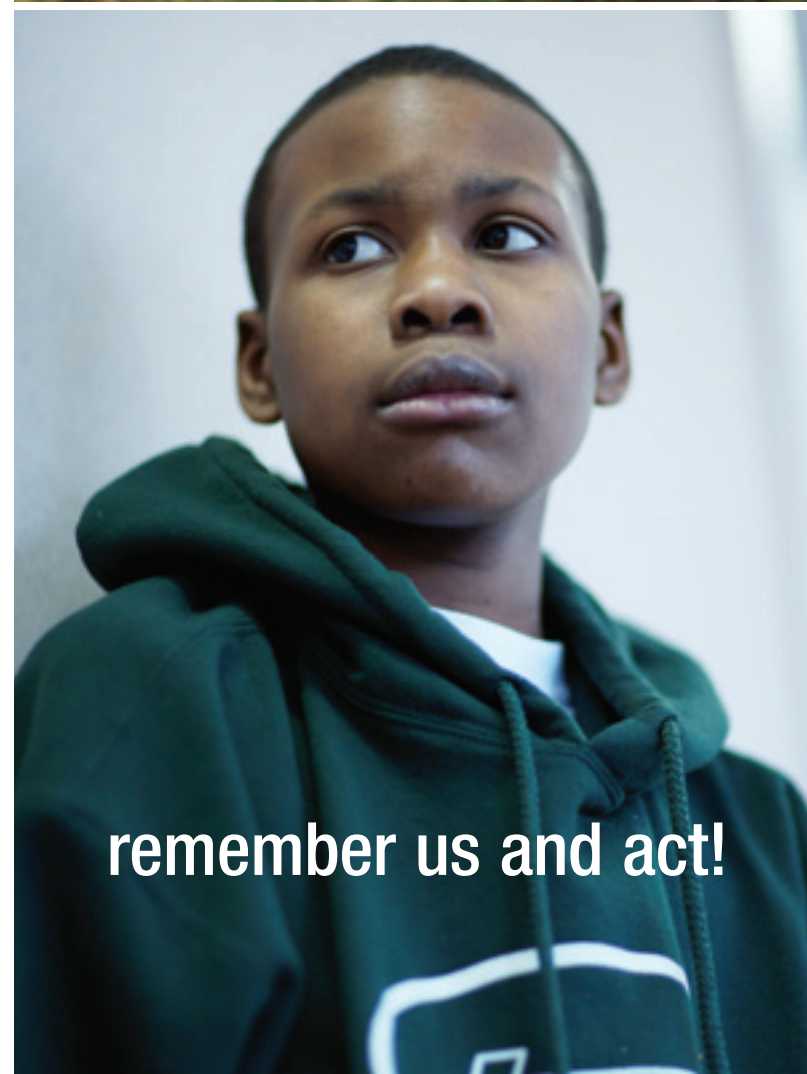
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www.childrensdefense.org



remember us and act!