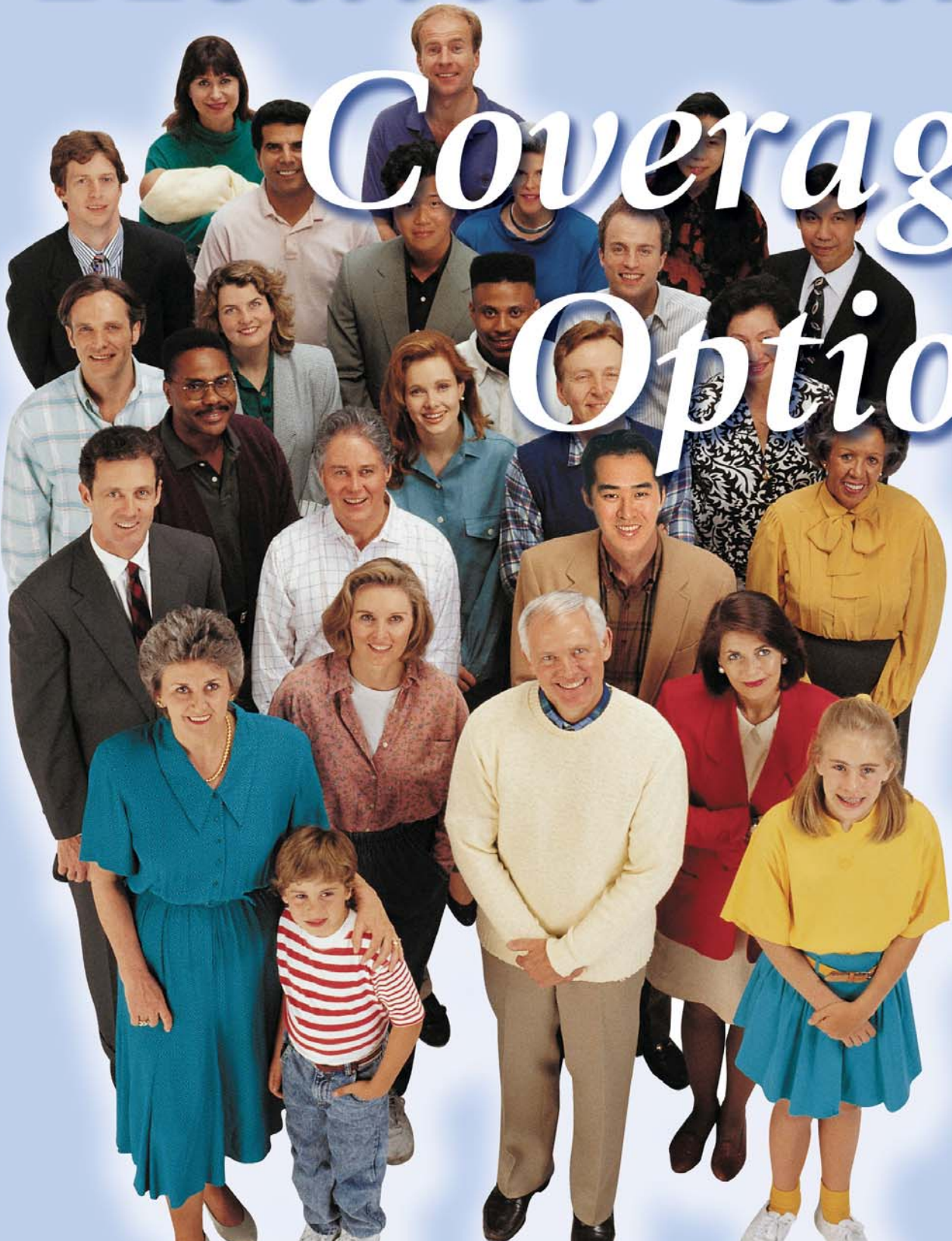


*National Association of Health Underwriters'
Education Foundation*

Health Care Coverage Options



Texas

Texas Health Care Coverage Options

As many as 45 million Americans, including 5.5 million Texans, were not registered for health insurance during some part of 2004, which is a staggering figure that produces troubling questions about how Texans can obtain needed health care services. The National Association of Health Underwriters (NAHU), a professional association of more than 20,000 employee benefit specialists, is extremely concerned about the problem of the uninsured. We feel that a multi-faceted approach to finding Americans coverage will be required, since no one solution will fit the needs of all of our citizens. As such, we have developed this brochure to outline coverage options for Texans. In addition, we have created the online Health Care Coverage Options Database (www.nahu.org/consumer/healthcare), which contains even more information for all of the states to make American consumers aware of all of the health care coverage options available to them.

Texas' Employer-Sponsored Health Insurance Plans

The majority of Americans receive their health care coverage through an employer-sponsored health benefit plan. Small employer health plans and large group health plans have to follow these different state and federal requirements.

	Texas Small Group Health Insurance Plans	Texas Large Group Health Insurance Plans
Definition	2-50 employees	51 or more employees
Issuance Requirements	Guarantee Issue Guarantee Renewable	Guarantee Renewable
Preexisting Condition Requirements	There is a 6-month look-back/12-month exclusionary period for preexisting conditions without prior creditable coverage. HMOs may impose an additional affiliation period of up to two months for an enrollee and 90 days for a late enrollee if the period is applied uniformly without regard to health status.	There is a 6-month look-back/12-month exclusionary period for preexisting conditions without prior creditable coverage. HMOs may impose an additional affiliation period of up to two months for an enrollee and 90 days for a late enrollee if the period is applied uniformly without regard to health status.
Credit for Prior Coverage	Required, as long as there is no more than a 63-day break in coverage.	Required, as long as there is no more than a 63-day break in coverage.
Rating and Underwriting Requirements	Coverage for small groups is provided on a guarantee-issue basis and rate restrictions are +/-25% of the indexed rate. Renewals are capped at 15% plus trend.	The rating and underwriting of large group health insurance policies is not regulated. Such plans tend to be principally experience rated based on the group's past health plan claims experience. Many larger employee groups elect to partially self-fund their health plans and thereby use stop-loss insurance to manage risk.
Regulator (Who to contact in case of a question or a problem)	Texas Department of Insurance	Texas Department of Insurance or the federal Department of Labor

Texas' Continuation of Coverage Options

This table provides information about health coverage continuation options for people who lose their group health insurance coverage due to a job change, a divorce, job loss or other reason.

	COBRA	State Continuation of Coverage Requirements	HIPAA Group-to-Individual Portability Requirements
Overview	The federal Consolidated Budget Reconciliation Act of 1986 (COBRA) requires employers who employed 20 or more employees in the prior year to provide the option of temporarily continuing group coverage to individuals when their group health coverage is lost due to certain specific events, known as qualifying events. COBRA applies to both private employers and state and local health plans, but it does not apply to federal government plans and those sponsored by certain church organizations.	States may, at their discretion, enact measures regarding the continuation of coverage for employer groups that are not subject to federal COBRA requirements.	Individuals who have been in enrolled in a group health plan and decide to leave that group health plan and purchase individual market coverage have certain rights under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). States must provide at least one guarantee issue option for those individuals to purchase individual market insurance, as long as that coverage is purchased within 63 days of disenrollment from the group plan.

Texas' Continuation of Coverage Options (CONTINUED)

	COBRA	State Continuation of Coverage Requirements	HIPAA Group-to-Individual Portability Requirements
Requirements	<p>Generally an individual covered by a group health plan on the day before a qualifying event who is an employee, the employee's spouse, or an employee's dependent child who experiences a qualifying event may receive benefits.</p> <p>The length of COBRA coverage depends on both the beneficiary and the qualifying event involved and can range from 18-36 months. A plan, at its discretion, may provide longer periods of continuation coverage.</p> <p>Individuals may pay up to 102% of the premium costs. Employers may pay a portion of the premium, but are under no obligation to do so.</p>	<p>In Texas, all groups that must comply with state mandates must make continuation coverage available to employees for 6 months.</p> <p>Groups with 20 or more employees subject to COBRA must provide 6 months of continuation coverage once an individual has exhausted 18 months of COBRA coverage.</p> <p>Individuals must have three months of prior group coverage and have 31 days to apply for continuation coverage.</p> <p>Individuals may pay up to 102% of the premium costs. Employers may pay a portion of the premium, but are under no obligation to do so.</p>	<p>The Texas Health Insurance Risk Pool has been designated as the guarantee issue option for individuals exercising their HIPAA rights.</p> <p>An individual may not have any other health insurance coverage in effect, or be eligible for any other type of group coverage, with the exception of Medicare. If an individual is eligible for COBRA or state-mandated continuation, the individual is not eligible for Pool coverage until the scheduled termination of such coverage, even if the individual did not elect it. Also to enroll, individuals must be under age 65 and maintain Texas residency.</p>
Regulator (Who to contact in case of a question or a problem)	Federal Department of Labor	Texas Department of Insurance	Federal Centers for Medicare & Medicaid Services and the Texas Department of Insurance

Individual Health Insurance Coverage

Many Americans do not have access to employer-sponsored health insurance and may purchase health insurance coverage privately on an individual basis. Individual policies are regulated at the state level of government, and requirements for these policies vary widely across the states.

	Traditional Texas Individual Market Coverage	Coverage for Individuals with Catastrophic Medical Conditions
Overview	<p>Some Americans purchase their health insurance privately, instead of obtaining coverage as an employee benefit. This type of coverage is known as individual market coverage, and individual market health insurers must follow specific state requirements when issuing coverage.</p>	<p>The Texas Health Insurance Risk Pool provides a private health insurance option to people without access to group coverage whose serious preexisting medical problems make them ineligible for traditional individual market insurance.</p>
Requirements	<p>There are no rate caps in the individual market in Texas and medical underwriting is allowed without restriction.</p> <p>Carriers are not required to guarantee issue coverage.</p> <p>There is a 60-month look-back limit and 24-month exclusionary period limit for preexisting conditions for traditional individual policies.</p> <p>Credit for 1-month or more prior coverage is required.</p>	<p>An individual is eligible if he/she is under 65, a Texas resident for at least 30 days, and a U.S. citizen or a permanent resident of the U.S. for at least three continuous years. The individual must provide evidence of one of the following:</p> <ol style="list-style-type: none"> 1. Notice of rejection or refusal by an insurance company to issue substantially similar individual health insurance due to health reasons; 2. An official certification that substantially similar individual health insurance cannot be obtained because of health reasons; 3. An offer to issue a substantially similar individual health insurance policy that excludes a medical condition, or an in-force individual health insurance policy that excludes a medical condition; 4. An offer to issue a substantially similar individual health insurance policy with a premium rate greater than the current pool rate; or an in-force individual health insurance policy with a premium rate greater than the current pool rate; or 5. Diagnosis with one of the pool's qualifying medical/health conditions. <p>Dependents are also eligible for pool coverage.</p> <p>For individuals who are federally eligible under HIPAA or HCTC tax credit eligible, there are different enrollment requirements.</p> <p>During the first 12 months following the effective date of pool coverage, the policy does not pay benefits for any charges or expenses for any preexisting condition</p> <p>Premiums are capped at 200% of the standard individual market rate.</p>
Regulator (Who to contact in case of a question or a problem)	Texas Department of Insurance	Texas Health Insurance Risk Pool

Health Insurance Coverage Assistance Programs

Many Americans need to obtain health care services but have trouble paying for them. This table provides information about the major federal and state programs to provide coverage assistance to individuals.

	Texas Medicaid	TexCare Partnership (State Children's Health Insurance Program)	Federal Health Care Tax Credit
Overview	Texas Medicaid provides comprehensive health care to needy state residents. Individuals must meet income requirements in order to qualify for benefits.	The TexCare Partnership program provides coverage to needy children who do not qualify for Medicaid.	The federal Trade Adjustment Assistance Act of 2002 provides health insurance purchasing assistance for certified trade-impacted workers and certain federal Pension Benefit Guarantee Corporation (PBGC) beneficiaries. The assistance is in the form of a refundable tax credit for 65% of qualified health insurance premiums. Eligible individuals can only use their tax credit funds to purchase specific types of health insurance products.
Income and Asset Requirements	Children (ages 1-5): 133% Federal Poverty Level (FPL) Children (ages 6-19) 100% FPL Pregnant women and infants (ages 0-1): 185% FPL Non-working parents: 14% FPL Working parents: 33% FPL Supplemental Security Income Recipients: 74% FPL Asset and resource requirements for recipients vary based on the Medicaid program for which an individual is applying. There are no such requirements for children or pregnant mothers.	Children in families with incomes up to 200% FPL Families with gross incomes above 150% of the FPL must pass an assets test to qualify.	None
Other Eligibility Requirements	Individuals must: Be residents of Texas; Be U.S. citizens or non-citizens in certain recognized categories; and Meet certain resource and income limits, which vary by eligibility group.	Individuals must: Be under age 19; Be residents of Texas; Be U.S. citizens or legal permanent residents; Meet certain resource and income limits, which vary by eligibility group; and Be uninsured for 90 days prior to enrollment. Certain exceptions to this rule may be allowed.	Individuals and their families must either be: Certified as eligible for benefits under TAA because they are impacted by US trade agreements; or Age 55-64 and receiving benefits from the PBGC. Individuals who qualify for the TAA credit and have at least three months of prior creditable coverage prior to separation from employment with no more than a 63-day break in coverage are known as "qualified eligibles," and have special guarantee issue rights when purchasing coverage through a state-elected method.
Benefits	Comprehensive coverage including hospitalization, doctor's visits, prescription drugs, and other benefits	Comprehensive coverage including hospitalization, doctor's visits, prescription drugs, and other benefits.	Eligible individuals can use their credit funds to purchase only the following types of coverage. Benefits vary by option selected. COBRA Employer must contribute less than 50% of the total premium. Spouse's Plan Employer must pay no more than 50% of the total family premium (including what the employer pays for the spouse's coverage). Individual Market Coverage Individuals must be enrolled for at least the last 30 days before they were separated from the job that makes them eligible for the credit. State-elected option(s): People in Texas can also use their credit funds to purchase private specified coverage through Blue Cross Blue Shield of Texas, or the Texas Health Insurance Risk Pool.
Cost	Individuals do not have to pay for covered services, provided that they use a Medicaid-approved provider.	TexCare Partnership enrollees have different cost-sharing requirements based on their family income.	The after-tax rates for coverage will vary based on the coverage option utilized.
Regulator (Who to contact in case of a question or problem)	Texas Medicaid	TexCare Partnership	Federal Departments of the Treasury and Labor

Other Health Care Programs for Medically Needy Individuals

The individual states, private entities and the federal government have developed many other programs to help provide Americans with access to medical care. Most are targeted at specific populations, and they serve the uninsured, the under-insured and others in all income groups. Services provided range from free primary care to coverage of specific disease screenings, treatments and medications. Some of these programs just help Texans and others offer assistance on a national basis.

Texas Programs

Program for Amplification for Children of Texas (PACT)—Serves Texas children from birth through 20 years of age with hearing loss.
800-422-2956 www.tdh.state.tx.us/audio/program.htm

Texas Breast and Cervical Cancer Control Services—Provides funding for breast and cervical screening and diagnostic services at no cost to low income women without health insurance.
512-458-7796 www.tdh.state.tx.us/bcccp/default.htm

Texas Children with Special Health Care Needs (CSHCN) Services Program—Provides services to children with extraordinary medical needs, disabilities, and chronic health conditions. 800-252-8023 www.dshs.state.tx.us/cshcn/

Texas Epilepsy Program—Comprehensive outpatient care (diagnostic, treatment and support services) for eligible persons diagnosed with epilepsy and/or seizure-like symptoms. 512-458-7796 www.tdh.state.tx.us/epilepsy/

Texas Family Planning Program—Over 350 clinic sites deliver preventive medical and educational services under the direction of licensed physicians.
512-458-7796 www.tdh.state.tx.us/women/program.htm

Texas Genetics Services Program—Provides diagnoses and counseling to children who have genetic disorders.
800-252-8023 www.tdh.state.tx.us/genetics/

Texas Health Information Counseling and Advocacy Program (HICAP)—Provides one-on-one insurance counseling and assistance to senior citizens.
800-252-9240 www.dads.state.tx.us/services/dads_help/aaa/hicap.html

Texas Hemophilia Assistance Program—Provides blood, blood derivatives, or manufactured pharmaceutical products to eligible program recipients.
800-222-3986 www.dshs.state.tx.us/hemophilia/

Texas HIV Early Intervention Program—Provides HIV services to individuals with HIV disease. 800-299-AIDS www.tdh.state.tx.us/hivstd/clinical/eip.htm

Texas HIV Medication Program—Provides medications for the treatment of illnesses caused by HIV and other opportunistic infections in HIV-infected individuals.
800-255-1090 www.tdh.state.tx.us/hivstd/meds/

Texas Kidney Health Care Program—Provides eligible individuals who have been diagnosed with end-stage renal disease with treatment and assistance.
800-222-3986 www.dshs.state.tx.us/kidney/default.shtm

Texas State Kids Insurance Program—An insurance supplement for children of qualified state employees.
800-647-6558 www.ers.state.tx.us/Insurance/Publications/skipbrochure.html

Texas Title V Fee for Service Program—Funds direct care or enabling services through established rates to needy families that do not qualify for other programs.
512-458-7321 www.dshs.state.tx.us/mch/fee/

Texas Vaccines for Children—Makes vaccines available at no cost to providers, in order to immunize eligible children.
800-252-9152 www.tdh.state.tx.us/immunize/tvfc.htm

National Programs

American Kidney Fund Patient Assistance Programs—Direct financial assistance programs offered by the American Kidney Fund to needy dialysis and kidney transplant patients.
800-638-8299 www.kidneyfund.org/patients.asp

Center Watch: Clinical Trial Listing Service—This website provides a listing of industry-sponsored clinical trials that are actively recruiting patients.
www.centerwatch.com/

Donated Dental Services—Disabled, elderly and medically compromised patients are linked with dentists in their communities to receive free comprehensive dental treatment, including prosthetics.
888-426-7379 www.nfdh.org/DDS.html

EyeCare America—Several programs to help provide Americans with medical eye care at no cost. 800-222-EYES www.eyecareamerica.org

Federal Black Lung Program—Eligible coal miners are entitled to medical benefits to cover the reasonable cost of treatment, services or supplies for pneumoconiosis and disability (black lung condition). 800-638-7072 www.dol.gov/esa/regs/compliance/owcp/blq&a/bl-q&a.htm

Federally-Funded Community Health Centers Database—Federally funded community health centers provide millions of Americans with primary health care treatment. 800-ASK-HRSA <http://ask.hrsa.gov/pc/>

Free Clinic Foundation of America—A comprehensive on-line database of free medical clinics providing individuals with primary care coverage.
www.medkind.com/scripts/modules/basic/A0.idc?Origin=1004&Status=Confirmed&Width=90&Height=120

Hill-Burton Program—Many hospitals and health care facilities must give free or reduced-cost medical care to those who meet eligibility requirements in exchange for federal funds.
800-638-0742 www.hrsa.gov/osp/dfcr/obtain/hotline.htm

Knights Templar Eye Foundation—Assistance for financially eligible citizens in need of ocular surgical treatment.
847-490-3838 www.knightstemplar.org

Mission Cataract USA—A program coordinated by the Volunteer Eye Surgeons' Association to provide free cataract surgery to people of all ages who have no other means to pay. 800-343-7266

National Organization of Rare Disorders Medication Assistance Programs—Assists uninsured or under-insured individuals in securing life-saving or life-sustaining medications.
800-999-6673 www.rarediseases.org

New Eyes for the Needy—Offers vouchers to US residents in need of prescription eyeglasses. 973-376-4903 www.neweyesfortheneedy.org

Partnership for Prescription Assistance—Brings together America's pharmaceutical companies, doctors, patient advocacy organizations and civic groups to help low-income patients without prescription coverage.
888-4PPA-NOW www.pparx.org/Intro.php

Protecting America's Uninsured—This on-line system provides Americans with links to the U.S. medical schools and teaching hospitals providing free or low-cost services.
202-828-0551 www.aamc.org/uninsured/start.htm

Rx Assist—Gives providers access to pharmaceutical company patient assistance programs. www.rxassist.org

Rx Hope—Provides access to applications for various national pharmaceutical assistance programs, and also a portal for providers to research these programs. www.rxhope.com

Rx Outreach—People who qualify financially can get more than 50 generic medications that treat a wide range of conditions.
800-769-3880 www.rxoutreach.com

Sight for Students—Provides free vision exams and glasses to low-income, uninsured children. 888-290-4964 www.vsp.com

VISION USA—Provides fee basic eye health and vision care services free of to uninsured low-income people and their families.
800-766-4466 www.aoanet.org/visionusa/index.asp

Helpful Contact Information

National Association of Health Underwriters—*America's Benefit Specialists*
703-276-0220
www.nahu.org

Texas Association of Health Underwriters—*Texas's Benefit Specialists*
214-244-0006
www.tahu.org

Texas Department of Insurance—*Fully-insured group health plans, state continuation of group coverage options, individual coverage, HIPAA group-to-individual portability coverage*
1-800-252-3439
www.tdi.state.tx.us

U.S. Department of Labor, Employee Benefits Services Administration—*Self-funded employer-sponsored health plans, COBRA and the federal Health Insurance Tax Credit Program*
866-444-EBSA (3272)
www.dol.gov/ebsa

Centers for Medicare & Medicaid Services (CMS)—*Medicare, Medicaid, HIPAA and the State Children's Health Insurance Programs*
877-267-2323
www.cms.gov

Texas Health Insurance Risk Pool—*State high-risk health insurance pool for medically uninsurable individuals*
888-398-3927
www.txhealthpool.org

Texas Medicaid—*State Medicaid Program*
888-834-7406
www.hhsc.state.tx.us/medicaid/

TexCare Partnership—*State Children's Health Insurance Program*
800-647-6558
www.texcarepartnership.com/

U.S. Department of Treasury, Internal Revenue Service —*Federal Health Insurance Tax Credit program*
866-628-4282
www.irs.gov

Veterans Administration Health Services—*Benefits for U.S. Veterans*
877-222-8387
www1.va.gov/health_benefits/

Indian Health Service—*Benefits for Native Americans*
301-443-0750
www.ihs.gov

Health Resources and Services Administration—*Database of federal community health centers, Ryan White CARE Act Programs, Maternal and Child Health Programs, and Rural Health Clinic Information*
888-ASK-HRSA (888-275-4772)
www.hrsa.gov

Centers for Disease Control and Prevention—*National Breast and Cervical Cancer Early Detection Program, Vaccines for Children Program, and disease-specific information*
800-311-3435
www.cdc.gov

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