



Providing support and information for families of children with disabilities, chronic illness and other special health care needs

## Medicaid Buy-In for Children

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I know it's hard to believe, but by the time this newsletter reaches your mail box, filing of legislation for the 81<sup>st</sup> legislative session will have begun. Yes, it's not only hunting season, it's also filing season. As with every session, there is much on the agenda that will impact both adults and children with disabilities. Some of the issues that we know will be discussed include:

- Medicaid buy-in for children with disabilities
- Medicaid waiver waiting lists
- State schools
- Education vouchers
- Access to medical provider for people on Medicaid
- Reform of the long term services and supports system
- Much, much more

I encourage everyone reading this to get involved with whatever issues you feel passionate about. If you don't, who will?

In this newsletter, I wanted to offer you information on one issue that we know will be important to many families of children with disabilities - the proposed Medicaid buy-in program for children with disabilities. This program would allow families with income up to 300% of the federal poverty level to pay reasonable premiums for Medicaid insurance coverage for their child with disabilities. Outlined below are the basics of such a program, an explanation of the issue, and some background on why this is needed. During the last legislative session, Senator Deuell and Representative Lucio filed legislation to create a buy-in for children. While the legislation did not pass in the 80<sup>th</sup> session, they have already begun working on the initiative for the coming session. Additionally, Commissioner Albert Hawkins, Health and Human Services Commission (HHSC), has included a funding request in the Commission's proposed budget for the next biennium.

### The Issue:

Far too many children with disabilities or special health care needs do not have access to health care services that are so critical to their well-being and often their survival. These children may be uninsurable in the private insurance market, yet not eligible for public assistance due to their family's income.

### The Recommendation:

## Texas Parent to Parent

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Design, develop, and implement a Medicaid Buy-In Program for children with disabilities, as allowed in the Deficit Reduction Act of 2005.

**Background:**

The Deficit Reduction Act of 2005 (DRA) allows states to develop Medicaid buy-in programs for children with significant disabilities and special health care needs in families with income up to 300% of the federal poverty level.

This is needed because many children with disabilities are uninsurable in the commercial insurance market primarily due to their pre-existing conditions. Even when insurance is offered, the cost to insure a child with significant disabilities or health care needs is often prohibitive. Families can be faced with difficult choices such as whether to pay insurance premiums or pay their mortgage. Numerous families have intentionally lowered their income or refused promotions in order to qualify their child for the state Medicaid program so that their child could receive needed medical care. Even more disturbing, some families resort to divorce to allow household income to drop below the financial eligibility requirements of Medicaid. These families typically have tried every other avenue available, with little or very limited assistance materializing.

The problem perpetuates itself. Not only does the inability to obtain health insurance for their child force families into poverty to qualify for Medicaid assistance, the inability to obtain health insurance also forces these families to *remain* in poverty. Families are unable to acquire assets over the Medicaid limit which means they cannot save for other needs such as college for other children, retirement, or even emergencies.

Another disturbing potential outcome for families' when they can't obtain needed medical care for their child with disabilities is institutionalization of the child. Due to the entitlement for institutional services, institutionalization may be the only option families sometimes have. Child development research has shown that institutionalization of children negatively affects all areas of their development. Additionally, institutionalizing children with disabilities is fiscally inefficient when supports and services can be provided to the child in the community at a lower cost, allowing the child to remain with the family.

In 2007, the 80<sup>th</sup> Legislature considered proposed legislation that would have directed HHSC to develop and implement a Medicaid buy-in program for children with disabilities. However, funding requests for the program were not included in the Commission's appropriation requests. Without the funding, no program can be established. The fact that HHSC has requested funding already puts the initiative ahead of where it was last session.

If the opportunity to buy into the state Medicaid plan to obtain health care services for your child with disabilities is important to you, and you would like more information on this initiative, please contact me (colleen.horton@mail.utexas.edu). As always, I'm happy to share the information I have to assist families in their efforts to change the system and improve the quality of life for their kids.

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