## **BILL ANALYSIS**

Senate Research Center 80R3935 ABC-D S.B. 551 By: Deuell Health and Human Services 3/2/2007 As Filed

#### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current statutory language and definitions are outdated in the Indigent Health Care & Treatment Act relating to the Department of State Health Services (DSHS).

As proposed, S.B. 551 updates the law to conform with Temporary Assistance to Needy Families (TANF) requirements, adds certain services provided by counties, and deletes certain language relating to disputes, contracting, and other provisions. Substantive changes include adding hospital districts to those entities subject to uniform reporting requirements.

# **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 7 (Section 61.008, Health and Safety Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

[While the statutory reference in this bill is to the Texas Department of Health (TDH), the following amendments affect the Department of State Health Services (DSHS), as the successor agency]

SECTION 1. Amends Section 61.002, Health and Safety Code, to redefine "department" and to define "executive commissioner."

SECTION 2. Amends Section 61.003(f), Health and Safety Code, as follows:

- (f) Includes the Department of State Health Services (DSHS) for the purposes of this section. Updates the names of the Texas Department of Criminal Justice from the Texas Department of Corrections, the Department of Aging and Disability Services from the Texas Department of Mental Health and Mental Retardation, and the Texas School for the Blind and Visually Impaired from the Texas School for the Blind.
- SECTION 3. Amends the heading to Section 61.004, Health and Safety Code, to read as follows:

Sec. 61.004. ELIGIBILITY DISPUTE.

SECTION 4. Amends Sections 61.004(a) and (d), Health and Safety Code, as follows:

- (a) Deletes existing text permitting a provider of assistance and the governmental entity or hospital district to submit the matter to Texas Department of Health (TDH) if the provider of assistance and the governmental entity or hospital district cannot agree on a person's residence.
- (d) Deletes existing text requiring TDH to determine the person's residence.

SECTION 5. Amends Section 61.006(c), Health and Safety Code, to update the name of the Health and Human Services Commission (HHSC). Deletes existing text reference to DHS.

SECTION 6. Amends Section 61.007, Health and Safety Code, as follows:

- (6) Deletes existing text requiring the TDH to require each applicant to provide any transfer of title to real property that the applicant has made in the preceding 24 months.
- (8) Requires TDH to require each applicant to provide the value of the applicant's liquid resources, vehicles, and real property. Deletes existing text requiring DSHS to require each applicant to provide the amount of the applicant's liquid assets and the equity value of the applicant's car.

### SECTION 7. Amends Section 61.008(a), Health and Safety Code, as follows:

- (a) Requires the executive commissioner of HHSC, rather than TDH, by rule to consider certain information in determining eligibility.
  - (a)(2) Requires a county to consider the value of a vehicle that is in excess of the amount exempted under certain guidelines as a resource. Deletes existing text requiring a county to consider the equity value of a car that is in excess of the amount exempted under certain guidelines as a resource.
  - (a)(3) Requires a county to subtract the work-related and dependent care expense allowed under certain guidelines. Deletes existing text requiring the county to subtract the work-related and child care expense allowance allowed under certain guidelines.
  - (a)(5) Prohibits the transfer of countable resources to be more restrictive than the resource requirements for the Temporary Assistance for Needy Families-Medicaid program. Deletes existing text prohibiting the county from crediting toward eligibility for state assistance for an expenditure an applicant made during a two-year period beginning on the date on which the property is transferred if an applicant transferred title to real property for less than market value to obtain eligibility for assistance under this chapter.
- SECTION 8. Amends Section 61.009, Health and Safety Code, by amending Subsection (a) and adding Subsection (c), as follows:
  - (a) Requires TDH to establish uniform reporting requirements for governmental entities that own, operate, or lease public hospitals providing assistance under this chapter for hospital districts.
  - (c) Requires the reports to be sent, at least annually, to TDH.
- SECTION 9. Amends Section 61.025(b), Health and Safety Code, to authorize a transfer agreement to transfer partial responsibility to the county under which the municipal hospital continues to provide health care services to eligible residents of the municipality, but the county agrees to assume the hospital's responsibility to reimburse other providers who provide basic, rather than mandatory, inpatient or outpatient services to eligible residents that the municipal hospital cannot provide.
- SECTION 10. Amends Sections 61.0285(a) and (b), Health and Safety Code, as follows:
  - (a) Authorizes a county to provide other medically necessary services or supplies that the county determines to be cost-effective, including freestanding ambulatory surgical center services, in accordance with rules adopted by the executive commissioner of HHSC. Makes conforming changes.
  - (b) Deletes existing text authorizing the county to credit the services toward eligibility for state assistance under this subchapter if the services are approved by TDH, or if TDH fails to notify the county of its disapproval before the 31st day after the date the county notifies TDH of its intent to provide the services.

SECTION 11. Amends Section 61.032(e), Health and Safety Code, to delete existing text authorizing the county to submit the matter to TDH if the county and the provider disagree on the patient's residence.

SECTION 12. Amends Section 61.042(a), Health and Safety Code, to change a reference from DHS to HHSC and the Texas Employment Commission to TWC.

SECTION 13. Amends Section 61.066, Health and Safety Code, as follows:

Sec. 61.066. PREVENTION AND DETECTION OF FRAUD. (a) Authorizes a public hospital to adopt reasonable procedures for minimizing the opportunity for fraud, for establishing and maintaining methods for detecting and identifying situations in which fraud may exist, and for administrative hearings to disqualify persons in cases where fraud appears to exist.

(b) Makes a conforming change.

SECTION 14. Repealer: Section 61.023(c) (authorizing a county to contract with TDH to perform eligibility determination services), Health and Safety Code.

SECTION 15. Authorizes a county and municipality to amend an agreement under Section 61.025, Health and Safety Code, to conform to changes in law made by this Act to Section 61.025(b), Health and Safety Code, notwithstanding Section 61.025(e), Health and Safety Code.

SECTION 16. Effective date: upon passage or September 1, 2007.