

BILL ANALYSIS

Senate Research Center
81R18136 CLG-F

H.B. 497
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Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2007, the Congressional Budget Office (CBO) issued a report, *The Long-Term Budget Outlook*, and determined that the current spending levels for the Medicaid program cannot be sustained in the future. The State of Texas needs to be prepared for potential reforms of the Medicaid program at the federal level that address the CBO findings.

This bill requires the Health and Human Services Commission and the Texas Department of Insurance to conduct a joint study to determine the effect on the health care infrastructure in this state, including health care delivery mechanisms, if the state Medicaid program were to be abolished or federal matching funds are severely reduced.

H.B. 497 relates to a study to determine the effect on the health care infrastructure in this state if the state Medicaid program is abolished or a severe reduction in federal matching money under the program occurs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Requires the Health and Human Services Commission (HHSC) and the Texas Department of Insurance (TDI) to conduct a joint study to determine the effect on the health care infrastructure in this state, including health care delivery mechanisms, if the state Medicaid program is abolished or the amount of federal matching money available to the state under the program is severely reduced. Requires that the study address the effect on the availability of and accessibility to health care services provided under the state Medicaid program as of the effective date of this Act. Authorizes HHSC and TDI, in conducting the study, to seek input from health advocacy groups.

(b) Requires HHSC and TDI, as part of the study, to identify all available health care resources throughout the state, both public and private, that are not funded wholly or partly by the state Medicaid program; identify which population groups receiving services under the state Medicaid program as of the effective date of this Act would be most at risk of losing those services if the program were abolished or the amount of federal matching money available to the state under the program were severely reduced; and determine the effect abolishment of the state Medicaid program would have on local health care service providers and local financing mechanisms that provide or support care to individuals who cannot afford necessary health care services.

(c) Requires HHSC and TDI, not later than July 1, 2010, to submit a joint report of HHSC's and TDI's findings and conclusions resulting from the study to the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the senate and house of representatives having primary jurisdiction over health and human services. Requires that the report include:

(1) a statewide plan for making a transition of the provision and delivery of health care services from the state Medicaid program to a new health care

delivery system if the program were abolished or the amount of federal matching money available to the state under the program were severely reduced; and

(2) an analysis of the fiscal impact to this state of continuing to provide health care services to population groups served by the state Medicaid program if the program were abolished or the amount of federal matching money available to the state under the program were severely reduced, including a fiscal analysis for each phase of the transition plan described by Subdivision (1) of this subsection.

(d) Authorizes the executive commissioner of HHSC and the commissioner of insurance to adopt the transition plan required by Subsection (c)(1) of this section as a contingency plan for transitioning recipients of health care services from the state Medicaid program to a new health care delivery system.

SECTION 2. Effective date: upon passage or September 1, 2009.