BILL ANALYSIS

Senate Research Center
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C.S.H.B. 13
By: Kolkhorst et al. (Nelson)
Health & Human Services
5/19/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties are concerned that the Texas Medicaid program is facing major challenges in maintaining quality health outcomes and budget sustainability. The parties report that a recent Health and Human Services Commission (HHSC) study addresses these concerns and suggests that the state could seek from the federal government critical reforms necessary to ensure the quality and sustainability of the Medicaid program in Texas.

C.S.H.B. 13 seeks to implement several of the recommendations of that report and other cost savings and innovative ideas for the improvement of the Medicaid program by requiring the executive commissioner of HHSC to seek a waiver to the state Medicaid plan.

C.S.H.B. 13 amends current law relating to the Medicaid program and alternate methods of providing health services to low-income persons in this state.

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. Amends Subtitle I, Title 4, Government Code, by adding Chapter 536, as follows:

CHAPTER 536. MEDICAID REFORM WAIVER

Sec. 536.001. DEFINITIONS. Defines, in this chapter, "commission" and "executive commissioner."

Sec. 536.002. FEDERAL AUTHORIZATION FOR MEDICAID REFORM. (a) Requires the executive commissioner of the Health and Human Services Commission (executive commissioner; HHSC) to seek a waiver under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315) to the state Medicaid plan.

(b) Requires that the waiver under this section be designed to achieve the following objectives regarding the Medicaid program and alternatives to the program:

(1) provide flexibility consistent with federal law to determine Medicaid eligibility categories and income levels;

(2) provide flexibility to design Medicaid benefits that meet the demographic, public health, clinical, and cultural needs of this state or regions within this state;

(3) encourage use of the private health benefits coverage market rather than public benefits systems;

(4) encourage people who have access to private employer-based health benefits to obtain or maintain those benefits;

(5) create a culture of shared financial responsibility, accountability, and participation in the Medicaid program by:

(A) establishing and enforcing copayment requirements similar to private sector principles for all eligibility groups;

(B) promoting the use of health savings accounts to influence a culture of individual responsibility; and

(C) promoting the use of vouchers for consumer-directed services in which consumers manage and pay for health-related services provided to them using program vouchers;

(6) consolidate federal funding streams, including funds from the disproportionate share hospitals and upper payment limit supplemental payment programs and other federal Medicaid funds, to ensure the most effective and efficient use of those funding streams;

(7) allow flexibility in the use of state funds used to obtain federal matching funds, including allowing the use of intergovernmental transfers, certified public expenditures, costs not otherwise matchable, or other funds and funding mechanisms to obtain federal matching funds;

(8) empower individuals who are uninsured to acquire health benefits coverage through the promotion of cost-effective coverage models that provide access to affordable primary, preventive, and other health care on a sliding scale, with fees paid at the point of service;

(9) allow for the redesign of long-term care services and supports to increase access to person-centered care in the most cost-effective manner;

SECTION 2. (a) Defines, in this section, "commission," "FMAP," "illegal immigrant," and "Medicaid program."

(b) Requires HHSC to actively pursue a modification to the formula prescribed by federal law for determining this state's federal medical assistance percentage (FMAP) to achieve a formula that would produce an FMAP that accounts for and is periodically adjusted to reflect changes in the following factors in this state:

(1) the total population;

(2) the population growth rate; and

(3) the percentage of the population with household incomes below the federal poverty level.

(c) Requires HHSC to pursue the modification as required by Subsection (b) of this section by providing to the Texas delegation to the United States Congress and the federal Centers for Medicare and Medicaid Services and other appropriate federal agencies data regarding the factors listed in that subsection and information indicating the effects of those factors on the Medicaid program that are unique to this state.

(d) Requires HHSC, in addition to the modification to the FMAP described by Subsection (b) of this section, to make efforts to obtain additional federal Medicaid funding for Medicaid services required to be provided to illegal immigrants in this state. Requires HHSC, as part of that effort, to provide to the Texas delegation to the United States Congress and the federal Centers for Medicare and Medicaid Services and other

appropriate federal agencies data regarding the costs to this state of providing those services.

(e) Provides that this section expires September 1, 2013.

SECTION 3. (a) Provides that the Medicaid Reform Waiver Legislative Oversight Committee (committee) is created to facilitate the reform waiver efforts with respect to Medicaid.

(b) Provides that the committee is composed of eight members, as follows:

(1) four members of the senate, appointed by the lieutenant governor not later than October 1, 2011; and

(2) four members of the house of representatives, appointed by the speaker of the house of representatives not later than October 1, 2011.

(c) Provides that a member of the committee serves at the pleasure of the appointing official.

(d) Requires the lieutenant governor to designate a member of the committee as the presiding officer.

(e) Provides that a member of the committee is prohibited from receiving compensation for serving on the committee but is entitled to reimbursement for travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

(f) Requires the committee to:

(1) facilitate the design and development of the Medicaid reform waiver required by Chapter 536, Government Code, as added by this Act;

(2) facilitate a smooth transition from existing Medicaid payment systems and benefit designs to a new model of Medicaid enabled by the waiver described by Subdivision (1) of this subsection;

(3) meet at the call of the presiding officer; and

(4) research, take public testimony, and issue reports requested by the lieutenant governor or speaker of the house of representatives.

(g) Authorizes the committee to request reports and other information from HHSC.

(h) Requires the committee to use existing staff of the senate, the house of representatives, and the Texas Legislative Council to assist the committee in performing its duties under this section.

(i) Provides that Chapter 551 (Open Meetings), Government Code, applies to the committee.

(j) Requires the committee report to the lieutenant governor and speaker of the house of representatives not later than November 15, 2012. Requires that the report include:

(1) identification of significant issues that impede the transition to a more effective Medicaid program;

(2) the measures of effectiveness associated with changes to the Medicaid program;

(3) the impact of Medicaid changes on safety net hospitals and other significant traditional providers; and

(4) the impact on the uninsured in Texas.

(k) Provides that this section expires September 1, 2013, and the committee is abolished on that date.

SECTION 4. Effective date: upon passage or September 1, 2011.