

BILL ANALYSIS

C.S.H.B. 3519
By: Wohlgemuth
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Due to the current budget shortfall, state agencies and institutions of higher education were asked to prioritize spending based on core functions and essential services. The committee looked to these priorities in preparation of the budget; however, certain statutory changes are also needed to conform with appropriations levels in the 2004-05 General Appropriations Act. Committee Substitute House Bill 3519 authorizes these statutory changes for the health and human services agencies listed under Article II of the 2004-05 General Appropriations Act.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority expressly granted to the Health and Human Services Commission is modified by SECTION 1 (Section 531.021, Government Code) of this substitute.

ANALYSIS

Committee Substitute House Bill 3519 allows the Health and Human Services Commission to use certain criteria in providing for payment of fees, charges, and rates to Medicaid providers and gives the commission latitude to adjust the fees, charges, and rates as necessary to achieve the objectives of the Medicaid program.

Committee Substitute House Bill 3519 imposes a quality assurance fee on each facility owned by the Texas Department of Mental Health and Mental Retardation.

Committee Substitute House Bill 3519 alters the manner in which patient days are calculated by deleting language that allows the number of beds on hold for a hospitalized patient to be included in the calculation and requires the report on patient days be made no later than the 20th, rather than the 10th, day of the month.

Committee Substitute House Bill 3519 allows the Health and Human Services Commission, subject to legislative appropriation and state and federal law, to use proceeds from the quality assurance fee to offset expenses incurred in administration of this fee, to increase certain reimbursement rates, or for any other health and human services purpose approved by the governor and Legislative Budget Board.

Committee Substitute House Bill 3519 lowers the asset limit from \$2000 to \$1000 for an applicant for financial assistance and services.

Committee Substitute House Bill 3519 lowers the personal needs allowance allotted to residents of certain facilities from \$60 per month to \$45 per month.

Committee Substitute House Bill 3519 authorizes each health and human services agency to reduce expenditures by (1) consolidating required reports and publications and filing or delivering them exclusively by electronic means; (2) extending the effective period of any license, permit, or registration granted or administered by the agency; and (3) providing that any communications or document

delivery between the agency and another entity be made by electronic mail or through the Internet.

Committee Substitute House Bill 3519 repeals certain sections of the Human Resources Code. However, this repeal does not affect the provision of services under the medical assistance program to children, as required by federal law.

Committee Substitute House Bill 3519 directs a state agency to request any waiver or authorization needed to enact any provisions of this act and to delay implementation of those provisions until the waiver or authorization is granted.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Committee Substitute House Bill 3519 modifies the original by adding language that allows the Health and Human Services Commission to use certain criteria in providing for payment of fees, charges, and rates to Medicaid providers and gives the commission latitude to adjust the fees, charges, and rates as necessary to achieve the objectives of the Medicaid program. |

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Committee Substitute House Bill 3519 modifies the original by adding language that directs a state agency to request any waiver or authorization needed to enact any provisions of this act and to delay implementation of those provisions until the waiver or authorization is granted.

Committee Substitute House Bill 3519 modifies the original by removing language that authorizes the legislature to reduce or eliminate statutory amounts going to Article II state agencies if necessary to balance the budget.

Committee Substitute House Bill 3519 modifies the original by removing language that directs each health and human services agency, including any agency listed in Section 531.001, Government Code, to reduce expenditures as necessary to operate under Article II of the General Appropriations Act. This substitute also authorizes the Comptroller of Public Accounts or the Commissioner of Health and Human Services, as appropriate, to direct an agency to reduce its services or activities in accordance with this Act.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Texas Commission for the Blind to take any necessary action to operate the blindness education, screening, and treatment program and other commission programs using available funds.

Committee Substitute House Bill 3519 modifies the original by removing language that (1) directs the Interagency Council on Early Childhood Intervention to reduce expenditures by streamlining eligibility determination services and by providing less comprehensive services while maximizing federal funds under the federal IDEA program and (2) abolishes the advisory committee to the Interagency Council on Early Childhood Intervention.

Committee Substitute House Bill 3519 modifies the original by removing language that (1) authorizes the legislature to appropriate the available earnings of any permanent funds established under Subchapter G, Chapter 403, Government Code and derived from tobacco proceeds to any Article II strategy identified in the General Appropriations Act and (2) directs the comptroller to transfer these funds as necessary.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Texas Department of Health to reduce expenditures by consolidating operations and functions of the Texas Primary Health Care Services Act and the Indigent Health Care and Treatment Act.

Committee Substitute House Bill 3519 modifies the original by removing language that authorizes the appropriation of any unclaimed lottery prize money collected and deposited to the state-owned multicategorical teaching hospital account to fund the Texas Health Steps program.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Health and Human Services Commission and other agencies responsible for administration of the state Medicaid program to reduce expenditures by (1) eliminating benefits under the medically needy program; (2) reducing the period of continuous eligibility for children under 19 years of age; (3) reducing activities or imposing additional requirements for determining child eligibility; (4) terminating eligibility for adults under Temporary Assistance for Needy Families who fail to participate in a required employment program; (5) managing expenditures for drugs provided through the vendor drug program; (6) reducing or streamlining administration of services through the School Health and Related Services program; (7) terminating funding for certain substance abuse services; (8) reducing funding for tuberculosis prevention and control services; (9) ending programs to integrate health program systems to the extent the programs do not result in cost savings in Fiscal Years 2003-05; (10) lengthening deadlines for complying with dispute resolution procedures; (11) imposing the quality assurance fee on Texas Department of Mental Health and Mental Retardation facilities and using the fee to increase reimbursement rates for Medicaid services, waiver programs, or other approved purposes; (12) waiving, with approval of the Legislative Budget Board, any provision in Chapter 32, Human Resources Code, to achieve necessary cost savings; and (13) requesting waivers and authorizations as

necessary from a federal agency.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Health and Human Services Commission and other agencies responsible for the administration of the state child health plan program to reduce expenditures by (1) reducing income eligibility limit from 200 to 150 percent of the federal poverty level, for enrolled children, qualified aliens, children of school employees, and children of state employees; (2) establishing a preferred drug list; (3) reducing the period of continuous eligibility; (4) establishing a 90-day waiting period; (5) increasing applicable cost-sharing provisions; (6) waiving, with approval of the Legislative Budget Board, any provision under Chapter 62, Health and Safety Code, to achieve necessary cost savings; (6) applying for a waiver from a federal agency to allow families to opt into this program from the state Medicaid program; and (7) requesting waivers and authorizations as necessary from a federal agency.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Texas Department of Human Services to reduce expenditures by reducing eligibility for in-home and family support program to grant benefits to individuals with disabilities who are living independently.

Committee Substitute House Bill 3519 modifies the original by removing language that (1) requires the Texas Department of Mental Health and Mental Retardation to reduce expenditures by consolidating certain facilities and by reducing state funds to community hospitals that provide services to the mentally ill and (2) authorizes use of the Texas capital trust fund to support the infrastructure of facilities for individuals with mental retardation or mental illness.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Department of Protective and Regulatory Services to reduce expenditures by establishing monthly foster care reimbursement rates within available funding.

Committee Substitute House Bill 3519 modifies the original by removing language that directs the Texas Rehabilitation Commission to reduce expenditures by providing certain services through the vocational rehabilitation program.