

By: Delisi

H.B. No. 3204

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of an electronic benefits transfer  
3 system under the medical assistance program.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 301.002(2), Finance Code, is amended to  
6 read as follows:

7 (2) "Credit card transaction" means a transaction for  
8 personal, family, or household use in which a credit card,  
9 electronic benefits transfer card, plate, coupon book, or credit  
10 card cash advance check may be used or is used to debit an open-end  
11 account in connection with:

12 (A) a purchase or lease of goods or services; or

13 (B) a loan of money.

14 SECTION 2. Chapter 32, Human Resources Code, is amended by  
15 adding Section 32.070 to read as follows:

16 Sec. 32.070. DEFINITIONS. In this section:

17 (1) "Electronic benefits transfer card" means a card  
18 provided by the department to recipients of medical assistance for  
19 the purpose of directly paying for services obtained under the  
20 medical assistance program;

21 (2) "Biometric identification" means fingerprints,  
22 hand geometry, retina scan, voice verification, and signature  
23 verification;

24 (3) "Card" means electronic benefits transfer card;

1           (4) "point-of-sale terminal" means a device placed in  
2 a merchant location and connected to a bank. It is designed to  
3 authorize, record, and forward electronically the payment for each  
4 sale as it occurs; and

5           (5) "System" means the electronic benefits transfer  
6 card system established under this chapter.

7           Sec. 32.071. ELECTRONIC BENEFITS TRANSFER SYSTEM. (a) The  
8 department shall, without cost to the applicant, issue an  
9 identification card to every person who is a recipient of medical  
10 assistance under this chapter.

11           (b) The department shall provide providers participating in  
12 the medical assistance program with the appropriate equipment,  
13 including point-of-sale equipment, to facilitate payment for  
14 medical assistance with an electronic benefits transfer card.

15           (c) The card shall bear the title of "Texas Medical Welfare  
16 Card", the social security number, full name, date of birth,  
17 residence address and a brief description of the holder, any case  
18 number issued by the department to such recipient and either a  
19 facsimile of the signature of the holder or a space on which he  
20 shall write his usual signature with pen and ink. Every such card  
21 shall contain the photograph of the holder. Such photograph shall  
22 be processed in color.

23           (d) The card shall contain, in a digital format, encrypted,  
24 and in a manner compliant with the Health Insurance Portability  
25 Act, the fingerprint image of the recipient of medical assistance.

26           (e) The card shall contain any other information the  
27 department considers necessary for the implementation of the

1 system.

2 (f) The department shall implement the system in the service  
3 delivery area containing Harris County, and the service delivery  
4 area containing Dallas County by January 1, 2004.

5 (g) The department shall make necessary changes to the  
6 system based upon outcomes in the service delivery areas containing  
7 Dallas and Harris counties, and implement the revised system in the  
8 remainder of the state no later than January 1, 2005.

9 (h) The department may contract with public and private  
10 entities to carry out implementation and operation of the system.

11 (i) The department shall consider the results of electronic  
12 benefits transfer programs at the federal level, in other states,  
13 and in counties and cities in other states in developing rules to  
14 implement and operate the system.

15 (j) The department may enact rules necessary to implement  
16 and operate the system authorized under this chapter.

17 (k) The department shall seek enhanced federal matching  
18 funds, to the extent they are available, to implement the system.  
19 The department may adjust the system through rule, if necessary,  
20 for the state to become eligible for such funds.

21 Sec. 32.072. INACTIVE ELECTRONIC BENEFITS TRANSFER  
22 ACCOUNT. (a) This section applies only to an account to which  
23 medical assistance provided under this chapter has been transferred  
24 under the electronic benefits transfer system for access and use by  
25 a recipient of that assistance.

26 (b) The department shall close an account that has not been  
27 used by the account holder during the preceding 6 months.

1       (c) The comptroller shall withdraw any unused benefits  
2 remaining in the account and disburse the benefits as authorized by  
3 federal and state law.

4       (d) The identification card shall be returned to the  
5 department when the person to whom it is issued is no longer a  
6 recipient of medical assistance from the department.

7       Sec. 32.073. ELECTRONIC BENEFITS TRANSFER: MONITORING. (a)  
8 A private electronic benefits transfer operator with which the  
9 department contracts to administer the system, shall establish  
10 procedures to maintain records that monitor all debit transactions  
11 relating to system client accounts under this section. The system  
12 operator shall deliver copies of the records to the department and  
13 the comptroller not later than the first day of each month. The  
14 department shall immediately review the records and assess the  
15 propriety of the debit transactions.

16       (b) After reviewing the records under Subsection (a), the  
17 department shall take necessary or advisable action to ensure  
18 compliance with system rules by the system operator, retailers, and  
19 clients.

20       (c) No later than the first day of each month, the  
21 department shall send the comptroller a report listing the accounts  
22 on which enforcement actions or other steps were taken by the  
23 department in response to the records received from the system  
24 operator under this section, and the action taken by the  
25 department. The comptroller shall promptly review the report and,  
26 as appropriate, may solicit the advice of the Medicaid and Public  
27 Assistance Fraud Oversight Task Force, the Office of Investigations

1 and Enforcement, and the appropriate entities in the Office of the  
2 Attorney General regarding the results of the department's  
3 enforcement actions.

4 (d) The department shall coordinate the system with data  
5 matching efforts undertaken under Chapter 22, Human Resources Code.

6 (e) A local law enforcement agency that seizes an electronic  
7 benefits transfer card issued by the department to a recipient of an  
8 entitlement program administered by the department shall  
9 immediately notify the department of the seizure and return the  
10 card to the department. The department shall send letters to local  
11 law enforcement agencies or post materials in the buildings in  
12 which those agencies are located to ensure that local law  
13 enforcement officials are aware of this requirement.

14 SECTION 2. WAIVER. If before implementing this Act, the  
15 Health and Human Services Commission determines that a waiver or  
16 authorization from a federal agency is necessary for  
17 implementation, the commission shall request the waiver or  
18 authorization and may delay implementing this Act until the waiver  
19 or authorization is granted.

20 SECTION 3. REPORTING. The Health and Human Services  
21 Commission shall prepare biannual reports for delivery to the  
22 governor, lieutenant governor, speaker of the house of  
23 representatives and committees of the senate and house of  
24 representatives with jurisdiction over issues relating to state  
25 health care expenditures.

26 SECTION 4. EFFECTIVE DATE. This Act takes effect  
27 immediately if it receives a vote of two-thirds of all the members

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1 elected to each house, as provided by Section 39, Article III, Texas  
2 Constitution. If this Act does not receive the vote necessary for  
3 immediate effect, this Act takes effect September 1, 2003.