

BILL ANALYSIS

C.S.S.B. 551
By: Deuell
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In the State of Texas, counties are the primary agencies for providing access to indigent health care. These counties are responsible for setting aside 8% of their property tax receipts for indigent health care services. Only 14 counties in Texas spent the entire 8% in 2006, mainly due to the low qualification requirements set by some counties. In areas where a hospital district exists, the primary responsibility for indigent health care shifts away from the county. If an area has a hospital district, it becomes the responsibility of that hospital district to administer the indigent health care program.

Indigent health care services are a much needed resource in the State of Texas. Many needy persons rely on indigent health care that would not otherwise have health care. However, indigent health care services have many limitations in the state, such as the amount of money a family must make to be eligible for services. Current law states that counties can set the eligibility level for indigent health care services as low as 21% of the Federal Poverty Level (FPL), and anyone who makes more than this amount is not eligible for services. A FPL for a family of four is \$20,650 in 2007. This means that a family of four that makes more than \$4,336.50 per year in a county that sets its indigent health care eligibility at 21% FPL cannot receive indigent services. Some counties have voluntarily increased their indigent eligibility standards and others have not.

Current statutory language and definitions regarding the Indigent Health Care & Treatment Act relating to the Department of State Health Services (DSHS) are outdated. CSSB 551 updates the law to conform with Temporary Assistance to Needy Families (TANF) requirements, makes slight amendments to certain services provided by counties, and updates certain language relating to disputes, contracting, and other provisions. Non-substantive changes include correcting department names and other cleanup provisions. Substantive changes include adding hospital districts to those entities subject to uniform reporting requirements, raising the minimum eligibility level to receive indigent health care services from 21% of the Federal Poverty Level (FPL) to 25%, increasing the maximum per person claim amount from \$30,000 to \$35,000, requiring all counties to report their indigent health care program to the department, and the creation of a regional health care program study committee for regional health care services.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority that is expressly granted to the executive commissioner of the Health and Human Services Commission is modified in SECTION 9 and SECTION 13 of this bill, and that rulemaking authority that is expressly granted to the Health and Human Services Commission is modified in SECTION 8 of this bill.

ANALYSIS

CSSB 551 defines "region" as the area formed by the counties in public health region three of Texas as established by the Department of State Health Services (department). The regional health care systems review committee (committee) is created to conduct public hearings regarding, and to study the implications of, implementing regional health care service to address indigent health care in the region. CSSB 551 sets forth the membership and duties of the committee, and provides that its initial meeting must take place before September 30, 2007. CSSB 551 requires the committee, not later than September 1, 2008, to issue a report on indigent health care that summarizes its hearings, studies, proposed legislation and other findings or recommendations, and not later than December 1, 2008, to submit a copy of its summary report

to the governor, the lieutenant governor, and the speaker of the house of representatives. This section expires September 1, 2009.

CSSB 551 amends Section 61.002, Health and Safety Code, to redefine "department" as the Department of State Health Services and to define "executive commissioner" as the executive commissioner of Health and Human Services Commission.

CSSB 551 amends Section 61.003(f), Health and Safety Code, by providing that for purposes of Chapter 61, a person who is an inmate or resident of a state school or institution operated by the department, the Texas Department of Criminal Justice, the Department of Aging and Disability Services, the Texas Youth Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, or any other state agency or who is an inmate, patient, or resident of a school or institution operated by a federal agency is not considered a resident of a hospital district or of any governmental entity except the state or federal government, and make conforming changes.

CSSB 551 amends the heading to Section 61.004, Health and Safety Code, to read ELIGIBILITY DISPUTE.

CSSB 551 amends Sections 61.004(a) and (d), Health and Safety Code, by deleting existing text permitting a provider of assistance and a governmental entity or hospital district who cannot agree on a person's residence to submit the matter to the department, and requiring the department to determine the person's residence and to notify each governmental entity or hospital district and the provider of assistance of the decision and the reasons for the decision.

CSSB 551 amends Section 61.0045(b), Health and Safety Code, to require a county, hospital district, or public hospital to pay the claim made by a certain provider in accordance with its liability for payment for the services as described by Section 61.033 or 61.060 if certain information is used to determine whether the patient is an eligible resident of the service area of the county, hospital, district, or public hospital.

CSSB 551 amends Section 61.006(b) to provide that the minimum eligibility standards must incorporate a net income eligibility level equal to 25 percent, rather than 21 percent, of the federal poverty level based on the federal Office of Management and Budget poverty index.

CSSB 551 amends Section 61.006(c), Health and Safety Code, to replace the reference to the Texas Department of Human Services (DHS) to the Health and Human Services Commission (HHSC).

CSSB 551 amends Section 61.007, Health and Safety Code, to require applicants to provide information for any transfer of title to real property by the applicant, and deletes the limitation of "has made in the preceding 24 months," and information regarding the value, rather than amount, of the applicant's liquid resources, vehicles, and real property, and deletes text regarding the amount of "assets and the equity value of the applicant's car".

CSSB 551 amends Section 61.008(a), Health and Safety Code, changing the reference from department to the executive commissioner of HHSC. It provides that a county must consider the "value of a vehicle" rather than the "equity value of a car" that is in excess of the amount exempted under certain guidelines as a resource, and to subtract the work-related and "dependent care expense," rather than "child care expense allowance" allowed under department guidelines. The bill requires the executive commission to provide rules that in determining eligibility transferral of countable resources may not be more restrictive than the resource requirements for the Temporary Assistance for Needy Families-Medicaid program, and deletes existing text prohibiting the county from crediting toward eligibility for state assistance for an expenditure for that 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.

CSSB 551 amends Section 61.009, Health and Safety Code, by requiring the department to establish uniform reporting requirements for governmental entities that own, operate, or lease

public hospitals providing assistance under this chapter and for counties and hospital districts, and requires the reports to be sent, at least annually, to the department.

CSSB 551 amends Subchapter B, Chapter 61, Health and Safety Code by adding Section 61.0241 REPORT TO DEPARTMENT OF ELIGIBILITY STANDARDS AND APPLICATION PROCEDURE. Not later than the 30th day after the beginning of the state fiscal year, a county shall submit to the department:

- (1) the eligibility standards that the county has adopted under Section 61.023(d);
- (2) the application procedures that the county has specified that it will use under Section 61.024(c); and
- (3) a statement of the total amount of county funds expended for indigent health care services in the previous state fiscal year."

CSSB 551 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.

CSSB 551 amends Sections 61.0285(a) and (b), Health and Safety Code, by authorizing 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, rather than the department rules. The bill deletes existing text authorizing the county to credit the services toward eligibility for state assistance under this subchapter if the services are approved by the department under section 61.006, or if the department fails to notify the county of its disapproval before the 31st day after the date the county notifies the department of its intent to provide the services.

CSSB 551 amends Section 61.032(e), Health and Safety Code, to delete existing text authorizing the county to submit the matter to the department if the county and the provider disagree on the patient's residence.

CSSB 551 amends Section 61.035, Health and Safety Code, by changing the maximum county liability for each state fiscal year for health care services provided by various assistance providers, to each eligible county resident, from \$30,000 to \$35,000.

CSSB 551 amends Section 61.042(a), Health and Safety Code, to change a reference from DHS to HHSC and from the Texas Employment Commission to Texas Workforce Commission.

CSSB 551 amends Section 61.066, Health and Safety Code, by adding the language "or a public hospital" along with a hospital district as an entity that may adopt reasonable procedures for the prevention and detection of fraud and makes conforming changes.

CSSB 551 repeals Section 61.023(c), (authorizing a county to contract with the department to perform eligibility determination services), Health and Safety Code.

CSSB 551 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 bill to Section 61.025(b), Health and Safety Code, notwithstanding Section 61.025(e), Health and Safety Code.

CSSB 551 states, "The changes in law made by this Act to Sections 61.006(b), 61.007, and 61.008, Health and Safety Code, apply only to: (1) an application for health care services filed on or after the effective date of this Act; or (2) an application for health care services filed before the effective date of this Act with regard to which a final determination of eligibility has not been made before that date."

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.S.B. 551 80(R)

CSSB 551 creates a regional health care systems review committee, and sets forth its membership, duties, meeting and reporting requirements.

CSSB 551 raises the minimum eligibility standards to receive indigent health care services from 21% of the federal poverty level to 25% of the federal poverty level.

CSSB 551 also adds Section 61.0241 of the Health and Safety Code, requiring counties to submit to the department, within a specified time, certain eligibility standards and application procedures, and the amount of county funds expended for indigent health care services in the previous state fiscal year.

CSSB 551 amends Section 61.035 of the Health and Safety Code, by changing the maximum county liability for each state fiscal year for health care services provided by various assistance providers, to each eligible county resident, from \$30,000 to \$35,000.

CSSB 551 adds the following language to the original, "The changes in law made by this Act to Sections 61.006(b), 61.007, and 61.008, Health and Safety Code, apply only: (1) an application for health care services filed on or after the effective date of this Act; or (2) an application for health care services filed before the effective date of this Act with regard to which a final determination of eligibility has not been made before that date."