Amend **CSHB 2962** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION ____. RESTORATION OF MEDICALLY NEEDY PROGRAM. (a) In this section:

(1) "FMAP" means the federal medical assistance percentage by which state expenditures under the Medicaid program are matched with federal funds.

(2) "Medicaid program" means the medical assistance program under Chapter 32, Human Resources Code.

(b) Subject to Subsection (c) of this section, during the state fiscal biennium beginning September 1, 2009, the medically needy program under Section 32.024(i), Human Resources Code, as amended by Chapters 198 (HB 2292) and 1251 (SB 1862), Acts of the 78th Legislature, Regular Session, 2003, that serves certain pregnant women, children, and caretakers must, at a minimum, serve recipients, including adult recipients, in the same manner and at the same level as services were provided to recipients under the medically needy program during the state fiscal biennium ending August 31, 2003.

(c) The Health and Human Services Commission is required to expand the number of recipients served and the services provided in accordance with Subsection (b) of this section only if:

(1) for any portion of the period beginning September1, 2009, and ending December 31, 2010:

(A) this state's FMAP is increased as authorizedby Section 5001(c), American Recovery and Reinvestment Act of 2009(Pub. L. No. 111-5); and

(B) the applicable percent used in computing that increase is the percent specified in Section 5001(c)(3)(A)(ii) or (iii), American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5); and

(2) the receipt by this state of federal funds resulting from the increased FMAP described by Subdivision (1) of this subsection results in general revenue funds otherwise appropriated to the Health and Human Services Commission becoming available for the purposes of this section.

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(d) The Health and Human Services Commission:

(1) may use appropriated funds that become available as described by Subsection (c)(2) of this section for purposes of this section; and

(2) is not required to obtain prior approval from the governor, the Legislative Budget Board, or any other person or entity to use those funds for purposes of this section.

(e) This section expires September 2, 2011.