

BILL ANALYSIS

C.S.H.B. 744
By: Dukes
Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Health care in the United States has become a public policy priority due to the increasing need for and limited access to coverage. Texas lags behind many other states in providing affordable coverage to its citizens, especially to children, some of its most vulnerable. Over the past five years the cost of employer-sponsored insurance has increased by 40 percent, yet wages have not kept pace with that cost. In addition, with the financial crisis the country is currently facing, more families are losing insurance coverage as a result of rising unemployment. While the Texas economy has fared better than that of most states, our unemployment rate has risen almost two percent in the past year. All these factors put Texas families in a very difficult position.

The medically needy have also been negatively impacted by increasing health care costs without wages keeping pace. Programs for the medically needy are used by states to expand coverage primarily to two groups: low-income young adults ages 19 and 20 and their parents in states where the medically needy program is the only category in which they qualify for coverage or where the medically needy program has the highest allowable income for Medicaid eligibility; and persons who spend down by incurring medical expenses so that, after medical expenses, their income falls below a state-established income limit for Medicaid.

In 2003, the Texas Legislature eliminated the medically needy program. This change removed from Medicaid coverage certain individuals up to age 19 and certain pregnant women and their children up to one year of age. It also removed from coverage families who were able to qualify for Medicaid due to a spend-down program permitting medical expenses to be deducted from their income level for purposes of establishing eligibility.

C.S.H.B. 744 provides for restoring the medically needy program to its 2003 level conditioned on certain funding requirements.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 744 requires the medically needy program under Section 32.024(i), Human Resources Code, as amended by Chapters 198 (H.B. 2292) and 1251 (S.B. 1862), Acts of the 78th Legislature, Regular Session, 2003, that serves certain pregnant women, children, and caretakers, during the state fiscal biennium beginning September 1, 2009, to, 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.S.H.B. 744 sets forth funding conditions relating to FMAP increases authorized by the American Recovery and Reinvestment Act of 2009 under which the Health and Human Services

Commission is required to expand the number of recipients served and services provided in accordance with the provisions of this bill. The bill defines "FMAP" and "Medicaid program."

C.S.H.B. 744 requires a state agency that is affected by a provision of the bill to request a federal waiver or authorization if the agency determines that a waiver or authorization is necessary for the implementation of the provision and it authorizes the agency to delay implementation until the federal waiver or authorization is obtained.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 744 differs from the original by adding noncodified law, whereas the original amends the Human Resources Code. The substitute omits a provision in the original requiring the executive commissioner of the Health and Human Services Commission to adopt rules as necessary to implement the provisions of the bill. The substitute differs from the original by setting forth funding conditions, relating to federal matching fund increases through the American Recovery and Reinvestment Act of 2009, under which the Health and Human Services Commission is required to expand the number of recipients served and services provided in accordance with the provisions of the bill, whereas the original removes from statute language that made the medically needy program subject to appropriated state funds. The substitute adds provisions not in the original defining "FMAP" and "Medicaid program."

C.S.H.B. 744 differs from the original by making the bill's provisions take effect immediately if the bill receives the required two-thirds vote, or September 1, 2009, otherwise, whereas the original makes the bill's provisions take effect September 1, 2009. The substitute differs from the original by requiring the medically needy program to operate at the 2003 level during the state fiscal year beginning September 1, 2009, whereas the original does not limit the requirement to a particular time period.