

## **BILL ANALYSIS**

C.S.H.B. 1541  
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Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, families must re-enroll their children every six months in order to keep their children's Medicaid coverage. This system is inefficient, costly, and most importantly negatively affects our most vulnerable population, our children.

There are an estimated 1.5 million uninsured children in Texas, making our state first in the nation with the highest percentage of children living without health coverage. Uninsured children often turn to high-cost emergency rooms for treatment, or delay care until medical conditions are not only more serious but also more expensive. These costs are passed on to the community through increased hospital charges, more expensive private health insurance premiums, and higher local taxes.

As of January 2009, 18 states provided 12-month continuous eligibility for all children in Medicaid. Because the 12-month enrollment model is the most efficient way to administer eligibility for a program, Texas has already adopted 12-month coverage for CHIP (the Children's Health Insurance Program), Medicaid newborn coverage, Medicaid maternity coverage, and the Women's Health Medicaid Waiver.

C.S.H.B. 1541 requires the executive commissioner of the Health and Human Services Commission (HHSC) to adopt rules providing for 12-month continuous eligibility for the Medicaid program during the state fiscal biennium beginning September 1, 2009, only if the state's federal medical assistance percentage (FMAP) is increased as authorized by the American Recovery and Reinvestment Act of 2009 and if state funds resulting from the increased FMAP results in general revenue funds otherwise appropriated to HHSC becoming available. The bill specifies that HHSC is not required to obtain prior approval from the governor, Legislative Budget Board, or any other person or entity to use funds for purposes of this bill.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 1541 requires the rules adopted by the executive commissioner of the Health and Human Services Commission (HHSC) providing for a period of continuous eligibility under the Medicaid program during the state fiscal biennium beginning September 1, 2009, for a child under 19 years of age who is determined eligible for Medicaid to provide that the child remains eligible, without additional review and regardless of changes in the child's resources or income, until the earlier of the first anniversary of the date the child's eligibility was determined or the child's 19th birthday. The bill requires the executive commissioner to adopt rules providing for such a period of continuous eligibility only if, for any portion of the period beginning September 1, 2009, and ending December 31, 2010, the state's federal medical assistance percentage (FMAP) is increased as authorized by the American Recovery and Reinvestment Act of 2009,

the applicable percent used in computing that increase is the percent specified in certain provisions of the American Recovery and Reinvestment Act of 2009, and the receipt by the state of federal funds resulting from the increased FMAP results in general revenue funds otherwise appropriated to HHSC becoming available for the purposes of continuous eligibility.

C.S.H.B. 1541 authorizes HHSC to use appropriated funds that become available as a result of the increased FMAP for the purpose of continuous eligibility and provides that HHSC 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 that purpose.

C.S.H.B. 1541 defines "commission," "executive commissioner," "FMAP," and "Medicaid program."

C.S.H.B. 1541 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. 1541 omits provisions included in the original amending the Government Code to require HHSC to improve the effectiveness of community outreach efforts with respect to the children's health insurance program, the Temporary Assistance to Needy Families program, the Medicaid program, and the food stamp program. The substitute omits provisions included in the original requiring the executive commissioner of HHSC to adopt rules relating to eligibility determination streamlining and improvement for those programs and omits provisions amending the Human Resources Code to establish a 12-month period of continuous eligibility under the Medicaid program. The substitute adds provisions not included in the original providing for a period of continuous eligibility under the Medicaid program for certain children based on an increase in the state's federal medical assistance percentage as specified in the American Recovery and Reinvestment Act of 2009.