Amend CSSB 7 (house committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. COUNTY ELIGIBILITY TO RECEIVE STATE ASSISTANCE FOR HEALTH CARE EXPENDITURES

SECTION _____.01. Section 61.037, Health and Safety Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

- (a) The department may distribute funds as provided by this subchapter to eligible counties to assist the counties in providing:
- (1) health care services under Sections 61.028 and 61.0285 to their eligible county residents; or
- (b) Except as provided by Subsection (c), (d), (e), or (g),
 to be eligible for state assistance, a county must:
- of the county general revenue levy for that year to provide health care services described by Subsection (a) to its eligible county residents who qualify for assistance under Section 61.023 and may, subject to Subsection (b-1), include as part of the county's eight percent expenditure level any payment made by the county for health care services provided through Medicaid, including the county's direct reimbursement to health care providers and indirect reimbursement through transfers of funds to the state for health care services provided through Medicaid; and
- (2) notify the department, not later than the seventh day after the date on which the county reaches the expenditure level, that the county has spent at least six percent of the applicable county general revenue levy for that year to provide health care services described by Subsection $\underline{(a)(1)}$ $\underline{(a)}$ to its eligible county residents who qualify for assistance under Section 61.023 or health care services provided by Medicaid as described by Subdivision (1).
 - (b-1) A county may not include payment for health care

services provided through Medicaid as part of the county's eight percent expenditure level under Subsection (b) for a state fiscal year unless the county spends in that state fiscal year an amount to provide health care services described by Subsection (a)(1) to its eligible county residents who qualify for assistance under Section 61.023 that is at least equal to the lesser of:

- (1) the amount the county spent for that purpose in the immediately preceding state fiscal year; or
- (2) eight percent of the county general revenue levy in the immediately preceding state fiscal year.

SECTION ____.02. Section 61.038, Health and Safety Code, is amended to read as follows:

Sec. 61.038. DISTRIBUTION OF ASSISTANCE FUNDS. (a) If the department determines that a county is eligible for assistance, the department shall distribute funds appropriated to the department from the indigent health care assistance fund or any other available fund to the county to assist the county in providing:

- (1) health care services under Sections 61.028 and 61.0285 to its eligible county residents who qualify for assistance as described by Section 61.037; or
- (b) State funds provided under this section to a county must be equal to at least 90 percent of the actual payment for the health care services for the county's eligible residents, including any payments made by the county for health care services provided through Medicaid as described by Section 61.037(b)(1), during the remainder of the state fiscal year after the eight percent expenditure level is reached.
- (c) In distributing state funds under this section, the department shall give priority to a county that spends in a state fiscal year at least eight percent of the county general revenue levy for that year to provide health care services described by Section 61.037(a)(1) to its eligible county residents who qualify for assistance under Section 61.023.