

BILL ANALYSIS

H.B. 13
By: Kolkhorst
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties are concerned that the Texas Medicaid program is facing major challenges in maintaining quality health outcomes and budget sustainability. The parties report that a recent Health and Human Services Commission (HHSC) study addresses these concerns and suggests that the state could seek from the federal government critical reforms necessary to ensure the quality and sustainability of the Medicaid program in Texas.

H.B. 13 seeks to implement several of the recommendations of that report and other cost savings and innovative ideas for the improvement of the Medicaid program by requiring the executive commissioner of HHSC to seek a waiver to the state Medicaid plan.

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

H.B. 13 amends the Government Code to require the executive commissioner of the Health and Human Services Commission (HHSC) to seek a waiver under Section 1115 of the federal Social Security Act to the state Medicaid plan. The bill requires the waiver to be designed to achieve the following objectives regarding the Medicaid program and alternatives to the program:

- provide flexibility to determine Medicaid eligibility categories and income levels;
- provide flexibility to design Medicaid benefits that meet the demographic, public health, clinical, and cultural needs of Texas or regions within Texas;
- encourage use of the private health benefits coverage market rather than public benefits systems;
- encourage people who have access to private employer-based health benefits to obtain or maintain those benefits;
- create a culture of shared financial responsibility, accountability, and participation in the Medicaid program by establishing and enforcing copayment requirements similar to private sector principles for all eligibility groups, promoting the use of health savings accounts to influence a culture of individual responsibility, and promoting the use of vouchers for consumer-directed services in which consumers manage and pay for health-related services provided to them using program vouchers;
- consolidate federal funding streams, including funds from the disproportionate share hospitals and upper payment limit supplemental payment programs and other federal Medicaid funds, to ensure the most effective and efficient use of those funding streams;
- allow flexibility in the use of state funds used to obtain federal matching funds, including allowing the use of intergovernmental transfers, certified public expenditures, costs not otherwise matchable, or other funds and funding mechanisms to obtain federal matching

funds;

- empower individuals who are uninsured to acquire health benefits coverage through the promotion of cost-effective coverage models that provide access to affordable primary, preventive, and other health care on a sliding scale, with fees paid at the point of service; and
- allow for the redesign of long-term care services and supports to increase access to patient-centered care in the most cost-effective manner.

The bill defines "commission" and "executive commissioner" for purposes of these provisions.

H.B. 13 establishes a temporary provision, set to expire September 1, 2013, to require HHSC to actively pursue a modification to the formula prescribed by federal law for determining the state's federal medical assistance percentage (FMAP) to achieve a formula that would produce an FMAP that accounts for and is periodically adjusted to reflect changes in the following factors in the state: the total population, the population growth rate, and the percentage of the population with household incomes below the federal poverty level. The bill requires HHSC to pursue the modification by providing to the Texas delegation to the United States Congress and the federal Centers for Medicare and Medicaid Services (CMS) and other appropriate federal agencies data regarding those factors and information indicating the effects of those factors on the Medicaid program that are unique to Texas. The bill requires HHSC to make efforts to obtain additional federal Medicaid funding for Medicaid services required to be provided to illegal immigrants in Texas. The bill requires HHSC, as part of that effort, to provide to the Texas delegation to the United States Congress and CMS and other appropriate federal agencies data regarding the costs to Texas of providing those services. The bill defines "commission," "FMAP," "illegal immigrant," and "Medicaid program" for purposes of the temporary provision.

H.B. 13 establishes a temporary provision, set to expire September 1, 2013, creating the Medicaid Reform Waiver Legislative Oversight Committee to facilitate the reform waiver efforts with respect to Medicaid. The bill establishes the composition of the committee and provides that a member of the committee serves at the pleasure of the appointing official. The bill requires the speaker of the house of representatives to designate a member of the committee as the presiding officer. The bill prohibits a member of the committee from receiving compensation for serving on the committee but entitles a member to reimbursement for travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

H.B. 13 requires the committee to facilitate the design and development of the Medicaid reform waiver required by the bill; facilitate a smooth transition from existing Medicaid payment systems and benefit designs to a new model of Medicaid enabled by the waiver; meet at the call of the presiding officer; and research, take public testimony, and issue reports requested by the lieutenant governor or speaker of the house of representatives. The bill authorizes the committee to request reports and other information from HHSC. The bill requires the committee to use existing staff of the senate, the house of representatives, and the Texas Legislative Council to assist the committee in performing its duties and applies open meetings requirements to the committee. The bill requires the committee to report to the lieutenant governor and speaker of the house of representatives not later than November 15, 2012, and sets out the information required to be included in the report. The bill abolishes the committee effective September 1, 2013.

EFFECTIVE DATE

On passage or, if the bill does not receive the necessary vote, the 91st day after the last day of the legislative session.