

BILL ANALYSIS

H.B. 392
By: Gonzales, Veronica
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Counties that spend more than eight percent of their general revenue on indigent health care are currently eligible to receive reimbursement from the state's indigent care fund. Recently, many counties have expanded the scope and delivery of health care services to low-income residents in their communities by leveraging more Medicaid dollars through certain upper payment limit Medicaid agreements with private hospitals, under which a private hospital receives reimbursement for indigent care provided by the hospital at a certain percentage of the reimbursement rate the state would receive for provision of those same services. This Medicaid reimbursement allows hospitals to provide uncompensated care for indigent patients and allows counties to more efficiently use their limited resources.

However, interested parties note that these agreements can have unintended consequences for participating counties, as a county's Medicaid contributions are not currently considered eligible indigent care expenses for purposes of qualifying for state assistance. As a result, many counties do not hit the eight percent mark and cannot get reimbursement from the state for expenditures on indigent health care. H.B. 392 seeks to address this issue by allowing certain Medicaid expenditures to be included as part of the county's expenditure level for indigent health care.

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. 392 amends the Health and Safety Code to authorize a county to include 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, as part of the county's required expenditure level of eight percent of county general revenue on health care services to eligible county residents for purposes of establishing the county's eligibility for state assistance in providing such services. The bill includes payments made by the county for health care services provided through Medicaid in the requirement that state assistance funds distributed to a county under the Indigent Health Care and Treatment Act equal or exceed 90 percent of the actual payment for health care services to eligible county residents during the remainder of the state fiscal year after the eight percent expenditure level is reached.

EFFECTIVE DATE

September 1, 2011.