

1-1 By: Kolkhorst, et al. (Senate Sponsor - Nelson) H.B. No. 13  
1-2 (In the Senate - Received from the House May 12, 2011;  
1-3 May 13, 2011, read first time and referred to Committee on Health  
1-4 and Human Services; May 20, 2011, reported adversely, with  
1-5 favorable Committee Substitute by the following vote: Yeas 5,  
1-6 Nays 4; May 20, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 13 By: Nelson

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the Medicaid program and alternate methods of providing  
1-11 health services to low-income persons in this state.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subtitle I, Title 4, Government Code, is amended  
1-14 by adding Chapter 536 to read as follows:

1-15 CHAPTER 536. MEDICAID REFORM WAIVER

1-16 Sec. 536.001. DEFINITIONS. In this chapter:

1-17 (1) "Commission" means the Health and Human Services  
1-18 Commission.

1-19 (2) "Executive commissioner" means the executive  
1-20 commissioner of the Health and Human Services Commission.

1-21 Sec. 536.002. FEDERAL AUTHORIZATION FOR MEDICAID REFORM.

1-22 (a) The executive commissioner shall seek a waiver under Section  
1-23 1115 of the federal Social Security Act (42 U.S.C. Section 1315) to  
1-24 the state Medicaid plan.

1-25 (b) The waiver under this section must be designed to  
1-26 achieve the following objectives regarding the Medicaid program and  
1-27 alternatives to the program:

1-28 (1) provide flexibility to determine Medicaid  
1-29 eligibility categories and income levels;

1-30 (2) provide flexibility to design Medicaid benefits  
1-31 that meet the demographic, public health, clinical, and cultural  
1-32 needs of this state or regions within this state;

1-33 (3) encourage use of the private health benefits  
1-34 coverage market rather than public benefits systems;

1-35 (4) encourage people who have access to private  
1-36 employer-based health benefits to obtain or maintain those  
1-37 benefits;

1-38 (5) create a culture of shared financial  
1-39 responsibility, accountability, and participation in the Medicaid  
1-40 program by:

1-41 (A) establishing and enforcing copayment  
1-42 requirements similar to private sector principles for all  
1-43 eligibility groups;

1-44 (B) promoting the use of health savings accounts  
1-45 to influence a culture of individual responsibility; and

1-46 (C) promoting the use of vouchers for  
1-47 consumer-directed services in which consumers manage and pay for  
1-48 health-related services provided to them using program vouchers;

1-49 (6) consolidate federal funding streams, including  
1-50 funds from the disproportionate share hospitals and upper payment  
1-51 limit supplemental payment programs and other federal Medicaid  
1-52 funds, to ensure the most effective and efficient use of those  
1-53 funding streams;

1-54 (7) allow flexibility in the use of state funds used to  
1-55 obtain federal matching funds, including allowing the use of  
1-56 intergovernmental transfers, certified public expenditures, costs  
1-57 not otherwise matchable, or other funds and funding mechanisms to  
1-58 obtain federal matching funds;

1-59 (8) empower individuals who are uninsured to acquire  
1-60 health benefits coverage through the promotion of cost-effective  
1-61 coverage models that provide access to affordable primary,  
1-62 preventive, and other health care on a sliding scale, with fees paid  
1-63 at the point of service; and

(9) allow for the redesign of long-term care services and supports to increase access to person-centered care in the most cost-effective manner.

SECTION 2. (a) In this section:

(1) "Commission" means the Health and Human Services Commission.

(2) "FMAP" means the federal medical assistance percentage by which state expenditures under the Medicaid program are matched with federal funds.

(3) "Illegal immigrant" means an individual who is not a citizen or national of the United States and who is unlawfully present in the United States.

(4) "Medicaid program" means the medical assistance program under Chapter 32, Human Resources Code.

(b) The commission shall actively pursue a modification to the formula prescribed by federal law for determining this state's 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 this state:

(1) the total population;

(2) the population growth rate; and

(3) the percentage of the population with household incomes below the federal poverty level.

(c) The commission shall pursue the modification as required by Subsection (b) of this section by providing to the Texas delegation to the United States Congress and the federal Centers for Medicare and Medicaid Services and other appropriate federal agencies data regarding the factors listed in that subsection and information indicating the effects of those factors on the Medicaid program that are unique to this state.

(d) In addition to the modification to the FMAP described by Subsection (b) of this section, the commission shall make efforts to obtain additional federal Medicaid funding for Medicaid services required to be provided to illegal immigrants in this state. As part of that effort, the commission shall provide to the Texas delegation to the United States Congress and the federal Centers for Medicare and Medicaid Services and other appropriate federal agencies data regarding the costs to this state of providing those services.

(e) This section expires September 1, 2013.

SECTION 3. (a) The Medicaid Reform Waiver Legislative Oversight Committee is created to facilitate the reform waiver efforts with respect to Medicaid.

(b) The committee is composed of eight members, as follows:

(1) four members of the senate, appointed by the lieutenant governor not later than October 1, 2011; and

(2) four members of the house of representatives, appointed by the speaker of the house of representatives not later than October 1, 2011.

(c) A member of the committee serves at the pleasure of the appointing official.

(d) The lieutenant governor shall designate a member of the committee as the presiding officer.

(e) A member of the committee may not receive compensation for serving on the committee but is entitled to reimbursement for travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

(f) The committee shall:

(1) facilitate the design and development of the Medicaid reform waiver required by Chapter 536, Government Code, as added by this Act;

(2) facilitate a smooth transition from existing Medicaid payment systems and benefit designs to a new model of Medicaid enabled by the waiver described by Subdivision (1) of this subsection;

(3) meet at the call of the presiding officer; and

(4) research, take public testimony, and issue reports requested by the lieutenant governor or speaker of the house of

representatives.

(g) The committee may request reports and other information from the Health and Human Services Commission.

(h) The committee shall use existing staff of the senate, the house of representatives, and the Texas Legislative Council to assist the committee in performing its duties under this section.

(i) Chapter 551, Government Code, applies to the committee.

(j) The committee shall report to the lieutenant governor and speaker of the house of representatives not later than November 15, 2012. The report must include:

(1) identification of significant issues that impede the transition to a more effective Medicaid program;

(2) the measures of effectiveness associated with changes to the Medicaid program;

(3) the impact of Medicaid changes on safety net hospitals and other significant traditional providers; and

(4) the impact on the uninsured in Texas.

(k) This section expires September 1, 2013, and the committee is abolished on that date.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.

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