

## **BILL ANALYSIS**

C.S.H.B. 3733  
By: Coleman  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under the Indigent Health Care and Treatment Act, certain counties are required to provide certain medical services for eligible indigent county residents. The county may be eligible for state assistance if such expenditures exceed a certain percentage of the county's general revenue levy in a state fiscal year. Interested parties report that Texas recently applied for a waiver to expand Medicaid services, and part of the waiver program authorizes counties to make intergovernmental transfers to the state for the purpose of receiving federal matching funds for those expanded Medicaid services. However, such parties note that counties choosing to make an intergovernmental transfer under the waiver program or under the state plan for disproportionate share hospitals may lose credit toward qualifying for state assistance for which eligibility is based on the amount of revenue spent by the county on indigent care. Therefore, these parties contend, counties may be forced to choose between forgoing state funding or turning down federal matching funds for waiver program contributions.

Interested parties recommend that a portion of county funding used to pay for indigent health care services provided through the waiver program or the state plan for disproportionate share hospitals be credited toward the expenditure thresholds that determine eligibility for state assistance, thus allowing a county to benefit from more federal funding assistance with no additional cost to the state. C.S.H.B. 3733 seeks to implement this recommendation.

### **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**

Section 531.0055, Government Code, as amended by Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, expressly grants to the executive commissioner of the Health and Human Services Commission all rulemaking authority for the operation of and provision of services by the health and human services agencies. Similarly, Sections 1.16-1.29, Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, provide for the transfer of a power, duty, function, program, or activity from a health and human services agency abolished by that act to the corresponding legacy agency. To the extent practical, this bill analysis is written to reflect any transfer of rulemaking authority and to update references as necessary to an agency's authority with respect to a particular health and human services program.

C.S.H.B. 3733 amends the Health and Safety Code to authorize a county, regardless of the application, documentation, and verification procedures or eligibility standards established by the Health and Human Services Commission under general provisions of the Indigent Health Care and Treatment Act, to credit an intergovernmental transfer to the state toward eligibility for state assistance if the transfer was made to provide health care services as part of a waiver program under applicable federal law or as part of the state plan for disproportionate share hospitals under applicable federal law or the Texas Administrative Code. The bill prohibits a

county from crediting toward eligibility for state assistance any intergovernmental transfer described by the bill that, separately or in combination, exceeds six percent of the county's general revenue levy in any state fiscal year.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3733 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Section 61.036, Health and Safety Code, is amended by adding Subsection (d) to read as follows:

(d) Regardless of the application, documentation, and verification procedures or eligibility standards established by the department under Subchapter A, a county may credit an intergovernmental transfer to the state toward eligibility for state assistance if the transfer was made to provide health care services as part of a waiver program under 42 U.S.C. Section 1315 or 42 U.S.C. Section 1396n.

SECTION 2. (a) The change in law made by this Act applies only to state assistance for health care services under Chapter 61, Health and Safety Code, as amended by this Act, that are delivered on or after the effective date of this Act.

(b) State assistance for health care services under Chapter 61, Health and Safety Code, that are delivered before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 61.036, Health and Safety Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) Regardless of the application, documentation, and verification procedures or eligibility standards established by the department under Subchapter A, a county may credit an intergovernmental transfer to the state toward eligibility for state assistance if the transfer was made:

(1) to provide health care services as part of a waiver program under 42 U.S.C. Section 1315 or 1396n; or

(2) as part of the state plan for disproportionate share hospitals under 42 U.S.C. Section 1396r-4 or 1 T.A.C. Section 355.8065.

(e) A county may not credit toward eligibility for state assistance any intergovernmental transfer made under Subsection (d)(1) or (2) that, separately or in combination, exceeds six percent of the county's general revenue levy in any state fiscal year.

SECTION 2. (a) The change in law made by this Act to Section 61.036, Health and Safety Code, applies only to state assistance for health care services under Chapter 61, Health and Safety Code, as amended by this Act, that are delivered on or after the effective date of this Act.

(b) State assistance for health care services under Chapter 61, Health and Safety Code, that are delivered before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in

effect for that purpose.

SECTION 3. 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, 2013.

effect for that purpose.

SECTION 3. Same as introduced version.