

## **BILL ANALYSIS**

Senate Research Center  
83R10317 JSL-D

S.J.R. 61  
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Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

With the passage of the Patient Protection and Affordable Care Act (Act) in 2010, the United States Government signaled its intention to provide government-funded health care coverage for a greatly expanded population of Americans. Following several legal challenges, the Act was ultimately upheld by the United States Supreme Court in a 5-4 decision which affirmed that the Act and its associated "individual mandate" were both constitutional and allowable under the law. In articulating the court's majority opinion, Chief Justice John Roberts made clear that while the federal government could not compel the states to expand their Medicaid programs as originally proposed, the option of pursuing such an expansion would be left to the states.

In an effort to draw down new federal funding available under the Act, many states have since opted to expand their Medicaid-eligible population to include new clients who would have previously fallen outside the functional or financial requirements of the existing Medicaid program. While Texas has yet to agree to any form of Medicaid expansion, the state continues to negotiate with the federal government regarding the circumstances under which an expansion would be considered, including increased flexibility in the administration of the Medicaid program.

Proponents of expanding the state's Medicaid program have argued that the costs associated with treating the state's uninsured in the emergency room are currently being borne by local counties and hospital districts in the form of uncompensated care; a cost which they say is ultimately passed on to the local taxpayer. They further claim that accepting the federal funds associated with Medicaid expansion could largely absorb these costs.

S.J.R. 61, and its enabling legislation S.B. 1808, requires the Health and Human Services Commission, Legislative Budget Board, and comptroller of public accounts of the State of Texas to determine the amount of uncompensated care costs that local governments would save under an expanded Medicaid program, and requires that those funds be returned to Texas taxpayers in the form of a tax rate reduction.

S.J.R. 61 proposes a constitutional amendment requiring the reduction of amounts paid by Texans to provide health care to the uninsured if Medicaid eligibility is expanded in accordance with the federal Patient Protection and Affordable Care Act, and requires hospital district tax rate reductions.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article III, Texas Constitution, by adding Section 51-b, as follows:

Sec. 51-b. Requires the legislature, if this state expands eligibility for medical assistance in accordance with and provides medical assistance using federal matching funds made available under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as

amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152) to provide that assistance, to:

(1) by law prescribe appropriate rate reductions for taxes imposed by hospital districts in this state that reflect the reduction of health care costs of those districts resulting from the receipt of additional federal funds for providing that assistance; and

(2) reduce the amount of money appropriated for providing uncompensated care to residents of this state to reflect the reduced need for that care.

SECTION 2. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.