

By: Kolkhorst

H.B. No. 3680

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the allocation of certain Medicaid supplemental  
3 hospital payments by the Health and Human Services Commission.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 32, Human Resources Code,  
6 is amended by adding Section 32.0283 to read as follows:

7 Sec. 32.0283. ALLOCATION OF SUPPLEMENTAL HOSPITAL  
8 PAYMENTS. (a) Definitions. In this section,

9 (1) "Public hospital" means a hospital that is authorized to  
10 transfer funds to the state for use as the state share of Medicaid  
11 payments under a supplemental hospital payment program, including a  
12 hospital described in Section 32.031(e).

13 (2) "Supplemental hospital payment program" means a program  
14 administered by the commission pursuant to state or federal law  
15 that authorizes payments of state and federal funds above standard  
16 Medicaid payments to eligible hospitals, including, but not limited  
17 to:

18 (A) the disproportionate share hospital program  
19 administered pursuant to 42 U.S.C. Section 1396r-4a;

20 (B) a Medicaid Upper Payment Limit program or its  
21 successor; or

22 (C) a waiver granted by the Secretary of Health and  
23 Human Services under the Social Security Act, 42 U.S.C. Section  
24 1396, et seq., including the Medicaid Transformation Waiver issued

1 under § 1115 of the Social Security Act, 42 U.S.C. Section 1315.

2 (b) Out of funds transferred to the state by a public  
3 hospital, a county, or other unit of local government for purposes  
4 of supplying the state share of a supplemental hospital payment  
5 program payment, the commission shall make such payments in the  
6 following order:

7 (1) disproportionate share hospital program payments, which  
8 shall be paid to all eligible hospitals before a payment under any  
9 other supplemental hospital payment program may be made; and

10 (2) payments under the Medicaid Upper Payment Limit program  
11 or its successor, which shall be paid using Medicaid inpatient days  
12 or another reliable indicator of Medicaid utilization established  
13 by the commission.

14 SECTION 2. If before implementing any provision of this Act  
15 a state agency determines that a waiver or authorization from a  
16 federal agency is necessary for implementation of that provision,  
17 the agency affected by the provision shall request the waiver or  
18 authorization and may delay implementing that provision until the  
19 waiver or authorization is granted.

20 SECTION 3. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2013.