1-1 By: Schwertner

(In the Senate - Filed March 8, 2013; March 18, 2013, read first time and referred to Committee on Finance; April 29, 2013, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 3; April 29, 2013, sent to printer.)

1-6 COMMITTEE VOTE

| 1-7  |           | Yea | Nay | Absent | PNV |
|------|-----------|-----|-----|--------|-----|
| 1-8  | Williams  | X   |     |        |     |
| 1-9  | Hinojosa  |     | Χ   |        |     |
| 1-10 | Deuell    | X   |     |        |     |
| 1-11 | Duncan    |     |     | X      |     |
| 1-12 | Eltife    | X   |     |        |     |
| 1-13 | Estes     | X   |     |        |     |
| 1-14 | Hegar     | X   |     |        |     |
| 1-15 | Huffman   | X   |     |        |     |
| 1-16 | Lucio     |     | X   |        |     |
| 1-17 | Nelson    | X   |     |        |     |
| 1-18 | Patrick   | X   |     |        |     |
| 1-19 | Seliger   | X   |     |        |     |
| 1-20 | West      |     |     | X      |     |
| 1-21 | Whitmire  |     |     | X      |     |
| 1-22 | Zaffirini |     | X   |        |     |

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 1808

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1**-**57 1**-**58 By: Huffman

## A BILL TO BE ENTITLED AN ACT

relating to the cost effects of expanding eligibility for medical assistance under the federal Patient Protection and Affordable Care Act.

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

SECTION 1. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.02473 to read as follows:

Sec. 32.02473. COST EFFECTS OF EXPANDED ELIGIBILITY FOR MEDICAL ASSISTANCE UNDER PATIENT PROTECTION AND AFFORDABLE CARE ACT. (a) In this section, "commission" means the Health and Human Services Commission.

(b) If the commission 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), the commission, in cooperation with the comptroller and Legislative Budget Board, shall conduct a study regarding the cost effects of that expanded eligibility. The study must identify:

(1) the estimated amount of uncompensated care costs the state will save each state fiscal year by expanding that eligibility;

(2) the estimated amount of health care costs hospital districts and counties in this state will save each state fiscal year by expanding that eligibility; and

(3) the estimated reduction in uncompensated care costs to hospital districts and counties that will result from the expansion of medical assistance eligibility and that would otherwise be paid from hospital district and county tax revenue.

(c) The commission shall ensure that cost savings identified under Subsection (b)(1) are reflected in each biennial legislative appropriations request submitted to the Legislative Budget Board by the commission or a health and human services agency.

1-59 (d) In preparing a general appropriations bill as required by Section 322.008, Government Code, the Legislative Budget Board

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shall ensure that any proposed appropriation for providing health care to residents of this state reflects the cost savings identified under Subsection (b)(1) and the legislative appropriations requests prepared in accordance with Subsection (c).

SECTION 2. Chapter 26, Tax Code, is amended by adding Section 26.0442 to read as follows:

Sec. 26.0442. TAX RATE ADJUSTMENT FOR EXPANDED ELIGIBILITY FOR MEDICAL ASSISTANCE UNDER PATIENT PROTECTION AND AFFORDABLE CARE ACT. In the first tax year in which a hospital district or a county adopts a tax rate and in which the 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), the effective tax rate and the rollback tax rate for the hospital district or the county are decreased by the rate that, if applied to current total value, would impose an amount of taxes equal to the reduction in uncompensated care costs realized by the hospital district or county as identified under Section 32.02473(b)(3), Human Resources Code, that will result from the provision of that assistance.

SECTION 3. (a) Not later than the first anniversary of the effective date of expanded eligibility criteria implemented in accordance with 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), for the Medicaid program, the Health and Human Services Commission, in cooperation with the comptroller of public accounts and the Legislative Budget Board, shall complete the study required under Subsection (b), Section 32.02473, Human Resources Code, as added by this Act.

(b) Subsections (c) and (d), Section 32.02473, Human Resources Code, as added by the legislative appropriations requests and general appropriations bills

(b) Subsections (c) and (d), Section 32.02473, Human Resources Code, as added by this Act, apply only to legislative appropriations requests and general appropriations bills, respectively, prepared on or after the date the Health and Human Services Commission completes the study required under Subsection (b), Section 32.02473, Human Resources Code, as added by this Act.

SECTION 4. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 5. This Act takes effect September 1, 2013.

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