

BILL ANALYSIS

H.B. 3904
By: Guerra
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Uncompensated care is a significant problem for Texas hospitals, with hospitals reporting billions of dollars in unreimbursed health care costs each year. The Medicaid program provides some reimbursement for portions of that care, but interested parties express concern that the funding has recently become destabilized. Furthermore, the parties explain that Medicaid reimbursement is significantly lower than what it costs hospitals to provide inpatient and outpatient services. The growing shortfall in funding for uncompensated care is threatening the stability of hospitals that care for the state's most needy Texans. H.B. 3904 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

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.

H.B. 3904 amends the Government Code to require the Health and Human Services Commission (HHSC), in consultation with the Department of State Health Services (DSHS), to conduct a study to identify solutions for stabilizing hospital funding in Texas that at minimum considers Medicaid reimbursements paid to hospitals in Texas for services provided by the hospitals and payments made under the disproportionate share hospitals supplemental payment program to hospitals in Texas. The bill requires HHSC, in consultation with DSHS and based on the study, to develop proposals designed to provide long-term funding solutions related to the Medicaid program for hospitals in Texas. The bill authorizes HHSC, to the extent authorized by law, to implement the proposals with prior written approval from the Legislative Budget Board and the governor. The bill requires HHSC, not later than December 1, 2016, to submit a report based on the study and the proposals and containing specified information to the governor, the lieutenant

governor, and the legislature. The bill authorizes the executive commissioner of HHSC to adopt rules as necessary to implement the bill's provisions. The bill's provisions expire September 1, 2017.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.