

## **BILL ANALYSIS**

Senate Research Center  
85R19376 KFF-F

C.S.S.B. 1554  
By: Kolkhorst  
Health & Human Services  
4/5/2017  
Committee Report (Substituted)

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

The 82nd Legislature, in the first called special session, passed S.B. 7, an omnibus health-related bill. One provision of S.B. 7 established Chapter 537, Government Code, that directed the Health and Human Services Commission (HHSC) to seek a broad 1115 Medicaid demonstration waiver. The bill also established the Joint Medicaid Reform Waiver Legislative Oversight Committee to provide legislative guidance and input for submitting an 1115 waiver demonstration application to the federal government. To date, HHSC has not sought an 1115 waiver per the statutory direction of Chapter 537. In addition, the Medicaid Reform Waiver Legislative Oversight Committee was abolished on September 1, 2013.

Congress is currently considering significant changes to the Medicaid program, including legislation that could convert Medicaid funding into a block grant or per capita funding. At the state level, HHSC currently has the authority to seek a broad 1115 demonstration waiver, which could also result in significant changes to the Medicaid program.

Considering the potential for these major changes to the Medicaid program, C.S.S.B. 1554 reestablishes a joint legislative oversight committee under Chapter 537, Government Code, to monitor and provide guidance to HHSC if these major changes are initiated by either the federal government or the state.

C.S.S.B. 1554 amends current law relating to establishing a Federal Medicaid Funding and Reform Waivers Legislative Oversight Committee.

### **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 the heading to Chapter 537, Government Code, to read as follows:

#### **CHAPTER 537. FEDERAL MEDICAID FUNDING AND REFORM WAIVERS**

SECTION 2. Amends Chapter 537, Government Code, by adding Section 537.001, as follows:

Sec. 537.001. FEDERAL MEDICAID FUNDING AND REFORM WAIVERS LEGISLATIVE OVERSIGHT COMMITTEE. (a) Defines "committee," "Medicaid block grant funding system," and "Medicaid per capita cap funding system."

(b) Provides that the Federal Medicaid Funding and Reform Waivers Legislative Oversight Committee (committee) is created as provided by this section if:

(1) the federal government authorizes states to opt to receive the federal share of money for the operation of Medicaid through a Medicaid block grant funding system or a Medicaid per capita cap funding system or requires that states receive that money through a Medicaid block grant funding system or a Medicaid per capita cap funding system; or

(2) the executive commissioner of the Texas Health and Human Services Commission seeks a waiver under Section 537.002 (Federal Authorization for Medicaid Reform).

(c) Provides that the committee is composed of eight members, as follows:

(1) four members of the senate, appointed by the lieutenant governor; and

(2) four members of the house of representatives, appointed by the speaker of the house of representatives (speaker).

(d) Provides that a member of the committee serves at the pleasure of the appointing official.

(e) Requires the lieutenant governor and speaker each to designate a co-chair from among the committee members.

(f) Prohibits a member of the committee from receiving compensation for serving on the committee but provides that a member is entitled to reimbursement for travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

(g) Requires the committee to:

(1) facilitate the design and development of a Medicaid block grant waiver or Medicaid per capita cap waiver, as applicable, if the federal government authorizes states to opt to receive the federal share of money for the operation of Medicaid through a Medicaid block grant funding system or a Medicaid per capita cap funding system or requires that states receive money through a Medicaid block grant funding system or a Medicaid per capita cap funding system; or any waiver sought under Section 537.002;

(2) facilitate a smooth transition from existing Medicaid payment systems and benefit designs to a new model of Medicaid that is enabled by a waiver described by Subdivision (1);

(3) meet at the call of the co-chairs; and

(4) research, take public testimony, and issue reports requested by the lieutenant governor or speaker.

(h) Authorizes the committee to request reports and other information from the Texas Health and Human Services Commission.

(i) Requires the committee to use existing staff of the senate, the house of representatives, and the Texas Legislative Council to assist the committee in performing its duties under this section.

(j) Provides that Chapter 551 (Open Meetings) applies to the committee.

SECTION 3. Effective date: upon passage or September 1, 2017.