

BILL ANALYSIS

Senate Research Center
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Health & Human Services
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Millions of medically vulnerable Texans need health care but have neither insurance nor personal funds to cover the cost.

Texas Medicaid was created to help the medically vulnerable, but the huge cost of the federal health care bureaucracy reduces the ability of the program to provide in a timely manner the services and goods mandated by the federal government.

Funding deficiencies also cause Texas Medicaid to fail the provider community, including individuals and institutions, by offering less than adequate recompense for the services and goods they supply. Medicaid reimbursement rates are below the cost of doing business for most providers, and as a result, more than 30 percent of Texas physicians cannot afford to take care of Medicaid enrollees.

In recent years, the federally mandated expansion of Medicaid benefits has caused reimbursement rates to plummet further, even as the number of Medicaid-covered patients has risen. Consequently, wait times for appointments have lengthened dramatically. A study conducted by Illinois Medicaid found that delays in care for Medicaid patients had resulted in unnecessary deaths.

Medicaid is the largest single cost item in the Texas state budget, accounting for 30 percent of all spending. It consumes financial resources that are sorely needed to support other programs, including foster care, education, job training, border security, and infrastructure.

The original Medicaid legislation of 1965 clearly specified that Medicaid programs would be jointly funded by state and federal governments and administered by the states. This framework is in keeping with the intent of the founding fathers in that it allows states to use their superior knowledge of the needs of their residents and how best to expend the resources necessary to regulate, administer, and control their own programs. States are better positioned than the federal government to innovate and compete, and they can take advantage of the laboratory of ideas to provide superior alternatives to existing delivery systems. Nevertheless, today, Washington, D.C., bureaucrats at the Centers for Medicare and Medicaid Services have decision-making power over factors that drive costs in Texas, among them eligibility standards, verification processes, compliance oversight, and benefit packages. Although Texas has received federal approval of a Medicaid 1115 Waiver, which grants some additional flexibility, this does not address the root cause of problems created by the lack of state control.

When it expanded Medicaid eligibility, the federal government promised greater access to health care, but medically vulnerable residents of Texas have experienced cruel disillusionment. Without real control over the administration of its own Medicaid program, Texas cannot address the problems that arise in the delivery of required services with limited funds, and the state cannot properly balance its priorities and discharge its responsibilities to its citizens.

RESOLVED

That the 85th Legislature of the State of Texas hereby respectfully urge the United States Congress to uphold the original intent of the 1965 Medicaid law to maintain a jointly funded, state-administered program by continuing joint funding of Texas Medicaid under the current

Federal Medical Assistance Percentages program while transferring the administration, control, and compliance oversight of all aspects and components of the Texas Medicaid program from the Centers for Medicare and Medicaid Services in Washington to the State of Texas.

That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States of America.