

# SENATE AMENDMENTS

## 2<sup>nd</sup> Printing

By: Rose, Thompson of Harris, Walle, Thierry,  
Howard, et al.

H.B. No. 12

A BILL TO BE ENTITLED

AN ACT

relating to the duration of services provided under Medicaid to  
women following a pregnancy.

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

SECTION 1. Section 32.024(1-1), Human Resources Code, is  
amended to read as follows:

(1-1) The commission shall continue to provide medical  
assistance to a woman who is eligible for medical assistance for  
pregnant women for a period of not less than:

(1) six months following the date the woman delivers  
or experiences an involuntary miscarriage; and

(2) 12 months that begins on the last day of the  
woman's pregnancy and ends on the last day of the month in which the  
12-month period ends in accordance with Section 1902(e)(16), Social  
Security Act (42 U.S.C. Section 1396a(e)(16)).

SECTION 2. As soon as practicable after the effective date  
of this Act, the executive commissioner of the Health and Human  
Services Commission shall, in accordance with Section 1902(e)(16),  
Social Security Act (42 U.S.C. Section 1396a(e)(16)), seek from the  
appropriate federal agency an amendment to the state's Medicaid  
state plan to implement Section 32.024(1-1)(2), Human Resources  
Code, as added by this Act. The commission may delay implementing  
this Act until the state plan amendment is approved.

SECTION 3. This Act takes effect immediately if it receives

H.B. No. 12

1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2023.

ADOPTED

FLOOR AMENDMENT NO. 1 MAY 21 2023

BY:

*Lately Spaw*  
Secretary of the Senate

*B. W. Kelle*

Amend H.B. No. 12 (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.0245 to read as follows:

Sec. 32.0245. LEGISLATIVE POLICY AND PURPOSE. In implementing Section 32.024(1-1), the commission shall carry out the state's profound respect for the lives of mothers and the unborn by providing for extended Medicaid health care coverage for mothers whose pregnancies end in the delivery of the child or end in natural loss of the child. This does not include pregnancies that end through elective abortion.

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 23, 2023

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB12** by Rose (Relating to the duration of services provided under Medicaid to women following a pregnancy.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB12, As Passed 2nd House : a negative impact of (\$147,018,356) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	(\$29,447,556)
2025	(\$117,570,800)
2026	(\$79,524,923)
2027	(\$75,401,663)
2028	(\$79,419,366)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>GR Match For Medicaid</i> 758	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Savings from <i>GR Match For Medicaid</i> 758	Probable Savings from <i>Federal Funds</i> 555
2024	(\$33,620,085)	(\$52,003,382)	\$4,172,529	\$5,373,469
2025	(\$155,346,020)	(\$231,809,170)	\$31,166,097	\$37,303,472
2026	(\$156,515,536)	(\$233,311,452)	\$69,331,534	\$87,648,828
2027	(\$157,142,407)	(\$234,245,904)	\$79,220,375	\$101,740,423
2028	(\$162,755,014)	(\$242,612,394)	\$79,288,024	\$101,409,377

<i>Fiscal Year</i>	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>Foundation School Fund</i> 193
2024	\$0	\$0
2025	\$4,956,842	\$1,652,281
2026	\$5,744,309	\$1,914,770
2027	\$1,890,277	\$630,092
2028	\$3,035,718	\$1,011,906

## **Fiscal Analysis**

The bill would require the Health and Human Services Commission (HHSC) to continue Medicaid coverage to women enrolled during a pregnancy for at least 12 months, beginning the last day of the woman's pregnancy.

The bill would require HHSC to seek a state plan amendment (SPA) to implement the bill.

## **Methodology**

The bill would result in women enrolled in Medicaid during pregnancy receiving ten additional months of postpartum coverage, beginning on the last day of the woman's pregnancy. The extended coverage is expected to result in savings to the Medicaid program from averted births and savings to the Healthy Texas Women program.

It is assumed services would begin March 1, 2024. The additional average monthly caseload associated with extended coverage is estimated to be 27,147 in fiscal year 2024, increasing to an average of 121,623 in fiscal years 2025 to 2028. The average monthly cost per recipient is estimated to be \$261.20 in fiscal year 2024, increasing in each subsequent year to \$277.06 in fiscal year 2028. The total estimated cost of the extended coverage for client services is estimated to be \$85.1 million in All Funds, including \$33.4 million in General Revenue, in fiscal year 2024 increasing in each subsequent year to \$405.4 million in All Funds, including \$162.8 million in General Revenue, by fiscal year 2028.

Estimated Medicaid savings associated with averted births, including reduced costs for pregnant women and newborns, is less than \$0.1 million in All Funds in fiscal year 2024, increasing in fiscal year 2025 to \$28.1 million in All Funds, including \$11.3 million in General Revenue. Estimated savings increase in subsequent years to \$152.5 million in All Funds, including \$11.3 million in General Revenue, by fiscal year 2028. Estimated savings also include increased vendor drug rebates totaling \$3.1 million in All Funds in fiscal year 2024, including \$1.2 million in General Revenue, and increasing to \$14.9 million in All Funds, \$8.9 million in General Revenue, in fiscal year 2028.

The bill would reduce the number of clients served in Healthy Texas Women (HTW), since eligible women would not transition until 12 months after their pregnancy ends. Postpartum services provided in HTW Plus will also decrease to only those women who are not enrolled in Medicaid for Pregnant Women. Savings to the Healthy Texas Women program assume a mix of General Revenue and Federal Funds and is estimated to be \$6.3 million in All Funds, including \$2.9 million in General Revenue, in fiscal year 2024, increasing in subsequent years to \$13.3 million in All Funds, including \$12.1 million in General Revenue, in fiscal year 2028.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in increased collections estimated to be \$6.6 million in fiscal year 2025, \$7.7 million in fiscal year 2026, \$2.5 million in fiscal year 2027, and \$4.0 million in fiscal year 2028. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

HHSC will be required to submit Medicaid and Children's Health Insurance Program (CHIP) state plan amendments and an 1115 waiver amendment to the Centers for Medicare and Medicaid Services. It is assumed that any costs associated with this process could be absorbed using existing resources.

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, otherwise this Act takes effect September 1, 2023

## **Technology**

HHSC estimates that there will be a onetime cost of \$461,000 in All Funds, \$188,552 in General Revenue, to make application and systems modifications to the Texas Integrated Eligibility Redesign System (TIERS) and the Eligibility Supported Technologies (EST) in fiscal year 2024.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JMc, NPe, ER, CST, NV

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 14, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB12 by Rose (Relating to the duration of services provided under Medicaid to women following a pregnancy.), As Engrossed

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB12, As Engrossed : a negative impact of (\$147,018,356) through the biennium ending August 31, 2025.

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**Local Government Impact**

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**LBB Staff:** JMc, NPe, ER, CST, NV

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 15, 2023

TO: Honorable Sam Harless, Chair, House Committee on Health Care Reform, Select

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB12** by Rose (Relating to the duration of services provided under Medicaid to women following a pregnancy.), **As Introduced**

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