

BILL ANALYSIS

C.S.H.B. 2865
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Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

When Medicaid beneficiaries are up for renewal, federal regulations require that state agencies first attempt to automatically renew eligibility using available and verifiable data sources. According to the U.S. Department of Health and Human Services, this process, known as an ex parte renewal, is intended to streamline eligibility redeterminations and reduce administrative burdens. To maintain continuous coverage during the COVID-19 pandemic, federal waivers allowed states to use more flexible renewal processes, as reported by the federal Centers for Medicare and Medicaid Services. The bill author has informed the committee that in Texas, the Health and Human Services Commission (HHSC) has used these waivers to conduct ex parte renewals based on information provided in applications for other public assistance programs, including SNAP, but that this information is often self-attested and unverified, raising concerns about the accuracy of Medicaid eligibility determinations and the potential for waste, fraud, or abuse. C.S.H.B. 2865 seeks to address this issue by prohibiting HHSC or any other state agency that administers Medicaid from accepting information provided by a recipient in an application for benefits under another public assistance program as verifiable electronic data for purposes of conducting an ex parte renewal of the Medicaid recipient's eligibility, unless expressly required by federal law.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2865 amends the Government Code to prohibit the Health and Human Services Commission (HHSC) or a state agency that administers any part of Medicaid from accepting information provided by a recipient in an application for benefits under another public assistance program, including SNAP, as verifiable electronic data for purposes of conducting an ex parte renewal of the recipient's Medicaid eligibility, except as expressly required by federal law. This provision expressly does not prohibit HHSC or a state agency that administers any part of Medicaid from receiving, reviewing, and, if appropriate, conducting a redetermination of a recipient's Medicaid eligibility based on information provided in such an application that indicates a change in circumstances that may affect that eligibility.

C.S.H.B. 2865 defines the following terms:

- "ex parte renewal" as a redetermination of a recipient's Medicaid eligibility that is conducted automatically without requiring information from the recipient using

information from verifiable electronic data sources or that is otherwise available to HHSC; and

- "public assistance program" as a program to provide benefits to persons based on need that is administered by HHSC and established under Human Resources Code provisions relating to assistance programs or other law.

C.S.H.B. 2865 requires HHSC, not later than the 180th day after the bill's effective date, to seek any waiver or authorization from a federal agency necessary to implement the bill's provisions and authorizes HHSC to delay implementation of those provisions until the waiver or authorization is granted.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2865 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced prohibited HHSC or a state agency that administers any part of Medicaid from conducting an ex parte renewal of a recipient's Medicaid eligibility, the substitute prohibits HHSC or such a state agency from accepting information provided by a recipient in an application for benefits under another public assistance program, including SNAP, as verifiable electronic data for purposes of conducting such an ex parte renewal. Accordingly, the substitute includes provisions absent from the introduced defining "public assistance program" and establishing that the bill's provisions expressly do not prohibit HHSC or such a state agency from receiving, reviewing, and, if appropriate, conducting a redetermination of a recipient's Medicaid eligibility based on information provided in such an application that indicates a change in circumstances that may affect that eligibility.