

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 921
By: Sparks
Health & Human Services
3/26/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This legislation seeks to protect the integrity of the Texas Medicaid program by prohibiting the use of unverifiable information for ex parte renewals of Medicaid eligibility.

When Medicaid beneficiaries are up for renewal, federal regulations require that state agencies first attempt to automatically renew beneficiaries using readily available and verifiable information. These are referred to as "ex parte" renewals. To keep people enrolled in the wake of COVID-19, the Biden administration granted new waivers that allow states to conduct ex parte renewals using unreliable information. One such waiver granted to Texas allows the Health and Human Services Commission to use unverified information provided on Supplemental Nutrition Assistance Program (SNAP) applications as justification to automatically renew Medicaid benefits. Relying on unverified information provided on applications for different social programs opens the door for waste, fraud, and abuse in Texas' Medicaid program.

During the pandemic, the federal government ordered that a state could not remove someone from Medicaid. Once the pandemic was over, Texas began removing from the Medicaid program people who no longer qualified for Medicaid benefits. Around 700,000 Texans were determined to be ineligible for Medicaid during the "unwinding" period after the pandemic. According to the last reliable data (RY 2021), Texas had a Medicaid improper payment rate of 8.9 percent, which led to almost \$2 billion in improper payments. Eligibility errors are the largest cause of improper payments in Medicaid.

C.S.S.B. 921 amends the Government Code to restrict the type of information the state may use when conducting an ex parte renewal. The new language now prohibits the state from accepting information provided in an application for benefits under another public assistance program, including SNAP, as verifiable electronic data for the purposes of an ex parte renewal of one's Medicaid eligibility.

C.S.S.B. 921 amends current law relating to conducting an ex parte renewal of a recipient's Medicaid eligibility.

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 Subchapter J, Chapter 532, Government Code, as effective April 1, 2025, by adding Section 532.0456, as follows:

Sec. 532.0456. EX PARTE RENEWALS PROHIBITED. (a) Defines "ex parte renewal" and "public assistance program."

(b) Prohibits the Health and Human Services Commission (HHSC) or a state agency that administers any part of Medicaid, except as expressly required by federal law, from accepting information provided by a recipient in an application for benefits under another public assistance program, including the supplemental

nutrition assistance program established under Chapter 33 (Nutritional Assistance Programs), Human Resources Code, as verifiable electronic data for purposes of conducting an ex parte renewal of a recipient's Medicaid eligibility.

(c) Provides that this section 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 an application described by Subsection (b) that indicates a change in circumstances that may affect the recipient's Medicaid eligibility.

SECTION 2. Requires HHSC, not later than the 180th day after the effective date of this Act, to seek any waiver or authorization from a federal agency necessary to implement Section 532.0456, Government Code, as added by this Act, and authorizes delay of implementation until the waiver or authorization is granted.

SECTION 3. Effective date: upon passage or September 1, 2025.