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H.B. No. 13

A BILL TO BE ENTITLED

AN ACT

relating to the Medicaid program and alternate methods of providing health services to low-income persons in this state.

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

SECTION 1. Subtitle I, Title 4, Government Code, is amended by adding Chapter 536 to read as follows:

CHAPTER 536. MEDICAID REFORM WAIVER

Sec. 536.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Health and Human Services Commission.

(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

Sec. 536.002. FEDERAL AUTHORIZATION FOR MEDICAID REFORM.

(a) The executive commissioner shall seek a waiver under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315) to the state Medicaid plan.

(b) The waiver under this section must be designed to achieve the following objectives regarding the Medicaid program and alternatives to the program:

(1) provide flexibility consistent with federal law to determine Medicaid eligibility categories and income levels;

(2) provide flexibility to design Medicaid benefits that meet the demographic, public health, clinical, and cultural needs of this state or regions within this state;

1 (3) encourage use of the private health benefits
2 coverage market rather than public benefits systems;

3 (4) encourage people who have access to private
4 employer-based health benefits to obtain or maintain those
5 benefits;

6 (5) create a culture of shared financial
7 responsibility, accountability, and participation in the Medicaid
8 program by:

9 (A) establishing and enforcing copayment
10 requirements similar to private sector principles for all
11 eligibility groups;

12 (B) promoting the use of health savings accounts
13 to influence a culture of individual responsibility; and

14 (C) promoting the use of vouchers for
15 consumer-directed services in which consumers manage and pay for
16 health-related services provided to them using program vouchers;

17 (6) consolidate federal funding streams, including
18 funds from the disproportionate share hospitals and upper payment
19 limit supplemental payment programs and other federal Medicaid
20 funds, to ensure the most effective and efficient use of those
21 funding streams;

22 (7) allow flexibility in the use of state funds used to
23 obtain federal matching funds, including allowing the use of
24 intergovernmental transfers, certified public expenditures, costs
25 not otherwise matchable, or other funds and funding mechanisms to
26 obtain federal matching funds;

27 (8) empower individuals who are uninsured to acquire

1 health benefits coverage through the promotion of cost-effective
2 coverage models that provide access to affordable primary,
3 preventive, and other health care on a sliding scale, with fees paid
4 at the point of service;

5 (9) allow for the redesign of long-term care services
6 and supports to increase access to person-centered care in the most
7 cost-effective manner;

8 (10) create the Texas Health Insurance Virtual
9 Marketplace, a virtual marketplace based on an Internet portal that
10 allows people to shop, compare, and purchase private health
11 benefits coverage; and

12 (11) allow for unmatched municipal and county
13 government funds or expenditures to serve as the state portion
14 under a federal matching program for the provision of mental health
15 services to eligible individuals.

16 SECTION 2. (a) In this section:

17 (1) "Commission" means the Health and Human Services
18 Commission.

19 (2) "FMAP" means the federal medical assistance
20 percentage by which state expenditures under the Medicaid program
21 are matched with federal funds.

22 (3) "Illegal immigrant" means an individual who is not
23 a citizen or national of the United States and who is unlawfully
24 present in the United States.

25 (4) "Medicaid program" means the medical assistance
26 program under Chapter 32, Human Resources Code.

27 (b) The commission shall actively pursue a modification to

1 the formula prescribed by federal law for determining this state's
2 FMAP to achieve a formula that would produce an FMAP that accounts
3 for and is periodically adjusted to reflect changes in the
4 following factors in this state:

- 5 (1) the total population;
- 6 (2) the population growth rate; and
- 7 (3) the percentage of the population with household
8 incomes below the federal poverty level.

9 (c) The commission shall pursue the modification as
10 required by Subsection (b) of this section by providing to the Texas
11 delegation to the United States Congress and the federal Centers
12 for Medicare and Medicaid Services and other appropriate federal
13 agencies data regarding the factors listed in that subsection and
14 information indicating the effects of those factors on the Medicaid
15 program that are unique to this state.

16 (d) In addition to the modification to the FMAP described by
17 Subsection (b) of this section, the commission shall make efforts
18 to obtain additional federal Medicaid funding for Medicaid services
19 required to be provided to illegal immigrants in this state. As
20 part of that effort, the commission shall provide to the Texas
21 delegation to the United States Congress and the federal Centers
22 for Medicare and Medicaid Services and other appropriate federal
23 agencies data regarding the costs to this state of providing those
24 services.

25 (e) This section expires September 1, 2013.

26 SECTION 3. (a) The Medicaid Reform Waiver Legislative
27 Oversight Committee is created to facilitate the reform waiver

1 efforts with respect to Medicaid.

2 (b) The committee is composed of eight members, as follows:

3 (1) four members of the senate, appointed by the
4 lieutenant governor not later than October 1, 2011; and

5 (2) four members of the house of representatives,
6 appointed by the speaker of the house of representatives not later
7 than October 1, 2011.

8 (c) A member of the committee serves at the pleasure of the
9 appointing official.

10 (d) The lieutenant governor shall designate a member of the
11 committee as the presiding officer.

12 (e) A member of the committee may not receive compensation
13 for serving on the committee but is entitled to reimbursement for
14 travel expenses incurred by the member while conducting the
15 business of the committee as provided by the General Appropriations
16 Act.

17 (f) The committee shall:

18 (1) facilitate the design and development of the
19 Medicaid reform waiver required by Chapter 536, Government Code, as
20 added by this Act;

21 (2) facilitate a smooth transition from existing
22 Medicaid payment systems and benefit designs to a new model of
23 Medicaid enabled by the waiver described by Subdivision (1) of this
24 subsection;

25 (3) meet at the call of the presiding officer; and

26 (4) research, take public testimony, and issue reports
27 requested by the lieutenant governor or speaker of the house of

representatives.

(g) The committee may request reports and other information from the Health and Human Services Commission.

(h) The committee shall 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.

(i) Chapter 551, Government Code, applies to the committee.

(j) The committee shall report to the lieutenant governor and speaker of the house of representatives not later than November 15, 2012. The report must include:

(1) identification of significant issues that impede the transition to a more effective Medicaid program;

(2) the measures of effectiveness associated with changes to the Medicaid program;

(3) the impact of Medicaid changes on safety net hospitals and other significant traditional providers; and

(4) the impact on the uninsured in Texas.

(k) This section expires September 1, 2013, and the committee is abolished on that date.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.