

By: Zerwas

H. B. No. 3791

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to the creation of a "Texas" solution to issues related to  
3 Medicaid, including flexibility in the administration of the  
4 Medicaid program, tailored to the needs of the state.

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

6 SECTION 1. The legislature finds that:

7           a) Our current Texas Medicaid program has reached an  
8 unsustainable capacity;

9                   b) Texas stands to gain coverage for a significant number of  
10 now uninsured residents through any healthcare expansion; and

11           c) The current Texas network of hospital and physician  
12 providers cannot endure an expansion of patient need without  
13 significant reform;

14                   d) It is in the best interest of this state that the  
15 Legislature and the Texas Health and Human Services Commission  
16 negotiate a plan that considers the particular needs of Texas, our  
17 economy, and unique population.

18 SECTION 2. Subchapter B, Chapter 531, Government Code, is  
19 amended by adding Section 531.02105 to read as follows:

1 of receiving federal approval for all changes to the program. Any  
2 agreement reached must identify broad categories of:

3           (1) program changes that may be made without the need  
4 for additional federal approval; and

5           (2) program changes that require additional federal  
6 approval;

7           (b) In reaching an agreement, the commission shall ensure  
8 that any agreement:

9           (1) allows the state flexibility from federal  
10 requirements to develop a tailor insurance product for low-income  
11 adults;

12           (2) allows any product to leverage private markets by  
13 building on a managed care model and maximizing premium assistance  
14 where cost effective to the state;

15           (3) allow the product to prioritize personal  
16 responsibility by meaningful cost sharing requirements;

17           (4) benefits Texas taxpayers by providing appropriate  
18 health care coverage, encourages appropriate health care  
19 utilization in low-cost settings, provides meaningful tax relief at  
20 the local level, and frees up general revenue to support other state  
21 priorities.

22           (c) An agreement under this section may be limited in  
23 duration and may be contingent on the continued funding obligations  
24 of the federal government.

25           SECTION 3. Subtitle I, Title 4, Government Code, is amended  
26 by adding Chapter 539 to read as follows:

1           CHAPTER 539. ALTERNATIVE MEDICAID EXPANSION PROGRAMS

2           Sec. 539.001. FEDERAL AUTHORIZATION FOR ALTERNATIVE  
3           MEDICAID EXPANSION PROGRAMS. In addition to the commission's  
4           ability to negotiate under Section 531.02105, The commission shall  
5           actively negotiate with the United States secretary of health and  
6           human services, the federal Centers for Medicare and Medicaid  
7           Services, and other appropriate persons for federal authorization  
8           for the state to operate the component of the state Medicaid program  
9           for providing program benefits to the Medicaid expansion population  
10           under an alternative Medicaid expansion plan, including a block  
11           grant funding system or state plan amendment.

12           Sec. 539.002. MINIMUM REQUIREMENTS OF FEDERAL  
13           AUTHORIZATION. Federal authorization obtained under Section  
14           539.001 must allow for providing state Medicaid program benefits to  
15           recipients in the Medicaid expansion population under the same  
16           terms and conditions as an agreement under Section 531.02105

17           Sec. 539.003. IMPLEMENTATION OF ALTERNATIVE MEDICAID  
18           EXPANSION PLAN. If the commission receives the authorization  
19           described by Section 539.002, the commission shall develop and  
20           provide any appropriate state Medicaid program.

21           SECTION 4. The Health and Human Services Commission shall  
22           actively develop a proposal for the authorization from the  
23           appropriate federal entity as required by Section 531.02105 and  
24           Chapter 539, Government Code, as added by this Act. As soon as  
25           possible after the effective date of this Act, the Health and Human  
26           Services Commission shall request and actively pursue obtaining the  
27           authorization from the appropriate federal entity.

1                 SECTION 5. (a) The Health and Human Services Commission,  
2 the Texas Department of Insurance, or the commission in conjunction  
3 with the department, shall negotiate with the appropriate federal  
4 entity for authorization to develop any appropriate alternative  
5 Medicaid expansion plan, including a state health benefit exchange.  
6 The negotiated authorization must allow the state health benefit  
7 exchange to be flexible, patient-friendly, tailored to the needs of  
8 the state, and be similar to the health benefit exchange described  
9 in the Patients' Choice Act, S.B. 516, 111th Congress (2009), or  
10 H.R. 2520, 111th Congress (2009).

11                 (b) If the appropriate federal entity authorizes an  
12 alternative Medicaid expansion plan, including a state health  
13 benefit exchange described in Subsection (a) of this section, the  
14 Health and Human Services Commission, the Texas Department of  
15 Insurance, or the commission in conjunction with the department,  
16 shall develop and implement the health benefit exchange.

17                 SECTION 6. Not later than September 1, 2013, the Speaker of  
18 the House and the Lieutenant Governor shall each appoint a chair and  
19 four additional members of their respective houses to advise the  
20 Health and Human Services Commission and the Texas Department of  
21 Insurance on negotiations with the federal government regarding  
22 federal authorization for the state to operate the component of the  
23 state Medicaid program for providing program benefits to the  
24 Medicaid expansion population under an alternative Medicaid  
25 expansion plan, including a block grant funding system or state  
26 plan amendment.

27                 SECTION 7. This Act takes effect immediately if it receives

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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, 2013.