

SUBJECT: Requiring comprehensive Medicaid financial reports

COMMITTEE: Public Health — committee substitute recommended

VOTE: 8 ayes — Gray, Coleman, Capelo, Delisi, Longoria, Maxey, Uresti, Wohlgemuth

0 nays

1 absent — Glaze

WITNESSES: For — *Registered but did not testify:* Anne Dunkelberg, Center for Public Policy Priorities; Susan Jones, Texas Hospital Association; Lisa McGiffert, Consumers Union; Bryan Sperry, Children’s Hospital Association of Texas

Against — None

On — *Registered but did not testify:* Phyllis Coombs, Comptroller’s Office

BACKGROUND: Medicaid is the state-federal health care program for the poor, disabled and elderly. It is funded through the Texas Department of Health (TDH), but it is administered by the Texas Department of Human Services (DHS). The Health and Human Services Commission (HHSC) oversees the operations of all health and human services agencies in the state, including TDH and DHS.

DIGEST: CSHB 1369 would amend the Government Code by adding secs. 531.02111 and 531.02112 to direct HHSC to prepare and submit a biennial Medicaid financial report. HHSC would submit this report by December 1 of each even numbered year. The governor, lieutenant governor, House speaker, presiding officer of each house or senate committee that has jurisdiction over health and human services issues, state auditor, and comptroller each would receive a copy of the report.

This report would include a description of each Medicaid program and an accounting of all Medicaid payments and funds for the previous three years. This accounting would provide information about federal funding, appropriated state funds, and revenues and expenditures by program. HHSC

would be authorized to request any information from any agency that is needed to complete this report.

HHSC also would prepare a quarterly report including Medicaid expenditures by program. Expenditures on each type of service within a program as well as administrative and operational costs would be included. The governor, Legislature, state auditor, and comptroller would receive this quarterly report.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 1369 would provide information that the Legislature needs to make decisions about Medicaid in a format that was timely and useful. All of the information that this bill would require in a report format already is available. However, it is presented to the Legislature by different agencies at different times in a manner that is not conducive to the type of program-wide decisions that the Legislature must make in the course of the session or the appropriations process.

Timely and comprehensive financial information about Medicaid is of vital importance to the state. In the fiscal 2000-01 biennium, the state experienced a \$600 million Medicaid funding shortfall due, in part, to poor forecasting of case loads and costs. It is possible that this situation could have been foreseen with a presentation of more timely and comprehensive data.

**OPPONENTS
SAY:**

CSHB 1369 would legislate what HHSC and the commissioner should already be doing. HHSC's purpose is to oversee health and human services agencies, including those that are involved in the Medicaid program. The Legislature already has the authority to request, without legislation, any information its members feel they need to make a decision. The Legislature simply should ask the commissioner to prepare this information.

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OTHER
OPPONENTS
SAY:

Medicaid is a complex and detailed group of services that produces data that could be difficult to understand without interpretation from agency representatives. The current system of presenting Medicaid data to the Legislature is better because it provides context.

NOTES:

The committee substitute added the state auditor to the list of those who would receive copies of the biennial and quarterly reports.

The companion bill, SB 832 by Moncrief, passed the Senate by 30-0 on March 8 and was reported favorably, as amended, by the House Public Health Committee on April 25, making it eligible to be considered in lieu of HB 1369.