

- SUBJECT:** Creating the Texas Health Care Compact Advisory Committee
- COMMITTEE:** State Sovereignty, Select — favorable, without amendment
- VOTE:** 4 ayes — Creighton, Branch, Darby, Pitts
0 nays
3 absent — Martinez Fischer, S. Miller, Thompson
- WITNESSES:** For — Mario Loyola, Texas Public Policy Foundation; (*Registered, but did not testify*: Kathy Barber, National Federation of Independent Business; Geri Bentley; Brent Connett, Texas Conservative Coalition; Rachel Delgado, Galveston County Tea Party, Inc.; Andrew Kerr, Texans for Fiscal Responsibility; Peggy Venable, Americans for Prosperity)

Against — None
- BACKGROUND:** On April 21, the House by 104-41 passed HB 5 by Kolkhorst, et al., which would direct Texas' entry into an Interstate Health Care Compact. Participation in the compact would authorize Texas, as a member state, to suspend by legislation the operation of federal health care laws, rules, and regulations and annually receive a lump sum of federal funds instead of current federal expenditures.
- DIGEST:** HB 273 would create a 15-member Texas Health Care Compact Advisory Committee to make recommendations by December 1, 2012, to the governor and the Legislature on the implementation of the Interstate Health Care Compact. The governor, the lieutenant governor, and the speaker each would appoint five members to the committee. The governor would select the presiding officer.

The committee would examine Texas' capability to assume regulatory control over health care and make recommendations regarding Texas' appropriate scope of health care responsibility and authority, its organizational structure to regulate health care, and its implementation timetable. The committee also would be charged with identifying statutory

and regulatory amendments and estimating funding related to the committee's recommendations.

The committee would have to hold public hearings on the state's capability to assume authority over health care, and could employ staff, request assistance from any state executive or legislative body, and accept gifts and grants. The Legislature also could appropriate funds to support the committee.

This bill would take effect September 1, 2011, but only if a bill enacting the Interstate Health Care Compact became law.

**SUPPORTERS
SAY:**

HB 273 would complement and support HB 5 to ensure that Texas made the best choices in determining the health care programs for which to assume responsibility and how to administer and regulate them. Once the Interstate Health Care Compact is established, Texas will face many important decisions, and the special committee created by this bill would help guide legislative action next session. The bill supports health care decision-making "by Texans for Texans" by requiring public hearings so that all interested individuals and organizations could voice their opinions and help create a new, improved health care system tailored to Texans' needs.

The governor, the lieutenant governor, and the speaker understand the committee's substantial responsibilities and would endeavor to appoint Texas' best and brightest, representing a spectrum of interests. Establishing committee membership qualifications in this bill is not necessary and could limit the participation of individuals who could offer valuable input. Additionally, the Legislature and the legislative process will fully vet committee recommendations relating to statutory or regulatory changes, so any fears of Texas' adopting recommendations based possible conflicts of interest or lack of expertise by the committee's members are unwarranted.

Texas could improve its health care delivery system in many ways, but it would be difficult and unnecessary to identify in advance each needed improvement or criterion indicating improvement. Inherent in each recommendation, however, would be a rationale that all stakeholders, including the general public and the Legislature, could use to gauge whether the recommendation would lead to improved health care. Additionally, the committee would have available numerous studies, such

as the Medicaid study mandated last session by HB 497, which identified important guiding principles such as personal accountability, pay for performance, and flexibility in plan benefits.

OPPONENTS
SAY:

For a task as great and important as establishing the state's approach to regulating and providing health care, the study committee's members should have the expertise and qualifications to make the required recommendations. This bill should require the committee's composition to be broadly representative of all stakeholders, including consumers with appropriate and necessary expertise, and should ensure that committee members are free from conflicts of interest when making recommendations. Texas has similar requirements for members of its health-related regulatory boards and councils.

This bill also should specify criteria and benchmarks for the committee to use in determining the state's scope of authority and responsibility. For example, Texas would agree to improve health care policy as a member state of the interstate compact. The committee should be required to identify how its recommendations would help improve health care, for example by identifying how they would decrease the number and ratio of Texans who do not have publicly or privately funded health coverage; increase access to care; increase quality of care; and fully or partially resolve the top health issues now faced by Texas and its local governments. The committee also should be required to recommend how the state will administer federal functions that were previously solely operated by the federal government, such as Medicare.

NOTES:

The companion bill, SB 1397 by Patrick, was referred to the Senate State Affairs Committee on March 22.