

## **BILL ANALYSIS**

Senate Research Center

S.B. 614  
By: Zaffirini  
Health & Human Services  
3-17-97  
As Filed

### **DIGEST**

Currently, state law permits payments for Medicaid services to be given only to the individual who performed the medical service and prohibits assignment or transfer of these payments. The Social Security Act permits assignment of Medicaid payments in certain circumstances, such as a contractual agreement between a hospital and a physician. The federal law supersedes the state law in the case of conflict. The U.S. Fifth Circuit Court of Appeals has held that this statutory conflict could result in different outcomes in court cases decided at the state and federal level. This bill would provide that Section 32.036, Human Resources Code, relating to such Medicaid program payments, is not applicable to the extent that it conflicts with the Social Security Act.

### **PURPOSE**

As proposed, S.B. 614 provides that Section 32.036, Human Resources Code, relating to Medicaid program payments nonassignable and exempt from legal process, is not applicable to the extent that it conflicts with the Social Security Act.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 32.036, Human Resources Code, by adding Subsection (c), to provide that this section does not apply to the extent that it conflicts with the Social Security Act (42 U.S.C. Section 301 et seq.).

SECTION 2. Emergency clause.  
Effective date: upon passage.