

## **BILL ANALYSIS**

Senate Research Center  
86R19316 KFF-F

C.S.S.B. 2138  
By: Hinojosa  
Health & Human Services  
4/17/2019  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Health and Human Services Commission (HHSC) administers numerous supplemental payment programs, including Section 1115 waiver and direct payment programs. HHSC uses general revenue to fund the state's share of administrative costs to operate the programs.

Together, these programs represent approximately \$8.5 billion of funding for the state's Medicaid providers, mainly hospitals. However, HHSC only has the resources to allocate about 45 employees to the administration of these programs, and most of those are diverted from other programs. In order to ensure that HHSC has the staff necessary to provide the appropriate oversight of these critical programs, S.B. 2138 would allow for HHSC to retain up to 1 percent of funds from the programs to be used for administration. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 2138 amends current law relating to the authority of the Health and Human Services Commission to retain certain money received by the commission to administer certain Medicaid programs.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 531.021135, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.021135, as follows:

Sec. 531.021135. COMMISSION'S AUTHORITY TO RETAIN CERTAIN MONEY TO ADMINISTER CERTAIN MEDICAID PROGRAMS. (a) Defines "directed payment program."

(b) Provides that this section applies only to money the Health and Human Services Commission (HHSC) receives from a source other than the general revenue fund to operate a waiver program established under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315) or a directed payment program or successor program as determined by HHSC.

(c) Authorizes HHSC to retain from money to which this section applies an amount equal to the estimated costs necessary to administer the program for which the money is received, but not to exceed one percent of the total amount estimated to be received for the program. Requires HHSC to spend money retained under this section as provided by the General Appropriations Act and other applicable law.

(d) Requires the executive commissioner of HHSC to adopt rules necessary to implement this section.

SECTION 2. Requires a state agency affected by any provision of this Act, if necessary for implementation of the provision, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such waiver or authorization is granted.

SECTION 3. Effective date: upon passage or September 1, 2019.