Rider Appropriations and Unexpended Balances Request

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3.B Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:
529	Health & Human Services Commission	Tracy Henderson	August 18, 2006	Base

Current Rider Number	Page Number in S.B. 1	Proposed Rider Language
HHSC 1	II-71	**Performance Measure Targets.** The following is a listing of the key performance target levels for the Health and Human Services Commission. It is the intent of the legislature that appropriations made by this act be utilized I the most efficient and effective manner possible to achieve the intended mission of the Health and Human Services Commission. In order to achieve the objectives and services standards established by this Act., the Health and Human Services Commission shall make every effort to attain the following designated key performance target levels associated with each tem of appropriation.

	20068		20079	
A. **Goal:** HHS NTERPRISE OVERSIGHT & POLICY				
A.1.2. Strategy: INTEGRATED ELIGIBILITY & ENROLLMENT				
Output (Volume)				
Average Number of Families Determined Eligible Monthly -TANF	~~17,693~~	12,048.90	~~17,665~~	12,555.79
Average Number of Households Determined Eligible Monthly – Food Stamps	~~170,868~~	158,069	~~172,440~~	154,696
Explanatory:				
Percent of Poverty Met by TANF, Food Stamps, and Medicaid Benefits	~~77.62%~~	76.17%	~~77.91%~~	75.16%
B. **Goal:** MEDICAID				
Outcome (Results/Impact):				
Average Medicaid Acute Care (& STAR+PLUS) Recipient Months Per Month	~~2,986,661~~	2,937,221	~~3,114,218~~	3,057,937
B.1.2. Strategy: MEDICARE PAYMENTS				
Output (Volume)				
Average Supplemental Medical Insurance Part B (SMIB) Recipient Months Per Month	~~489,835~~	542,528	~~511,696~~	564,229
Average Qualified Medicare Beneficiaries (QMBs) Recipient Months Per Month	~~195,723~~	87,768	~~128,922~~	94,965
Efficiencies:				
Average SMIB Premium Per Month	~~87.47~~	85.03	~~192.56~~	85.03
B.1.6. Strategy: STAR+PLUS (INTEGRATED MANAGED CARE)				

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		Output (Volume)				
		Avg Aged and Medicare-eligible Recipient Months Per Month (STAR+PLUS)	~~30,872~~	80,587	~~192.56~~	81,796
		Average Disabled and Blind Recipient Months Per Month	~~23,629~~	77,898	~~31,683~~	82,475
		~~**Efficiencies:**~~				
		~~Average Premium Per Aged and Medicare-eligible Recipient Month: STAR+PLUS~~	~~287.42~~		~~295.69~~	
		~~Average Premium Per Disabled and Blind Recipient Month: STAR+PLUS~~	~~892.92~~		~~910.81~~	
		B.2.1. Strategy: COST REIMBURSED SERVICES				
		Output (Volume)				
		Average Number of Undocumented Persons Recipient Months Per Month	~~11,872~~	12,872	~~13,891~~	14,842
		Efficiencies:				
		Average Undocumented Person Cost Per Recipient Month	~~3,229.01~~	3,005.40	~~3,226.86~~	3,004.88
		B.2.2. Strategy: MEDICAID VENDOR DRUG PROGRAM				
		Output (Volume)				
		Total Medicaid Prescriptions Incurred	~~32,710,587~~	26,402,108	~~30,292,112~~	26,858,336
		B.3.3. Strategy: EPSDT COMPREHENSIVE CARE PROGRAM				
		Output (Volume)				
		Average Number of EPSDT-CCP Recipient Months Per Month	~~545,.995~~	436,157	~~612,201~~	458,882
		B.4.1. Strategy: STATE MEDICAID OFFICE				
		Output (Volume)				
		Medicaid Acute Care Recipient Months Per Month: Managed Care	~~2,012,566~~	2,066,245	~~2,134,.606~~	2,154,134
		C. **Goal:** CHIP SERVICES				
		Outcome (Results/Impact):				
		Average CHIP Program Recipient Months Per Month (Includes Immigrant Health and School Employee Children Insurance)	~~362,175~~	335,477	~~398,630~~	339,037

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		Average CHIP Programs Benefit Cost without Prescription Benefit Per Recipient Month (Includes Immigrant Health and School Employee Children Insurance)	~~117.74~~	103.88	~~140.60~~ 103.88
		Average CHIP Programs Benefit Cost with Prescription Benefit Per Recipient Month (Includes Immigrant Health Children Insurance)	~~139.74~~	132.03	~~165.02~~ 132.03
		C.1.4. Strategy: CHIP VENDOR DRUG PROGRAM			
		Output (Volume):			
		Total Number of CHIP Prescriptions (Includes Immigrant Health and School Employee Children Insurance	~~1,674,635~~	1,563,333	~~2,045,089~~ 1,579,923
		Efficiencies:			
		Average Cost Per CHIP Prescription (Includes Immigrant Health and School Employee Children Insurance	~~57.10~~	72.48	~~57.10~~ 72.48
		D. **Goal:** ENCOURAGE SELF SUFFICENCY			
		Outcome (Results/Impact):			
		Unduplicated Number of TANF Adult Clients Per Year Who Have Exhausted their Time-limited Benefits	~~5,591~~	1,620	~~5,583~~ 1,320
		D.1.1. Strategy: TANF GRANTS			
		Output (Volume):			
		Average Number of TANF Recipients Per Month	~~211,709~~	182,012	~~215,300~~ 189,669
		Average Monthly of TANF State-Paid Recipients Per Month	~~16,718~~	10,670	~~16,871~~ 11,119
		Average Number of TANF One-time Payments Per Month	~~948~~	1,400	~~946~~ 1,531
		Efficiencies:			
		Average Monthly TANF Grant	~~62.44~~	62.38	~~64.26~~ 62.38
		Average Monthly TANF-State Paid	~~59.85~~	60.47	~~61.14~~ 60.47
		D.1.2. Strategy: NUTRITION ASSISTANCE			
		Output (Volume):			
		Average Number of Children and Adults Served Meals through Child and Adult Care Food Program Per Day	~~241,634~~	267,941	~~245,435~~ 281,547

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D.1.3. Strategy: REGUGEE ASSISTANCE
Output (Volume):
Number of Refugees Receiving Contracted Social Services Financial Assistance or Medical Assistance ~~7,100~~ 7,100 ~~7,100~~ 7,100
D.2.1. Strategy: FAMILY VIOLENCE SERVICES
Output (Volume):
Number of Women and Children Served ~~87,102~~ 84,435 ~~87,102~~ 84,878
Efficiencies:
Health and Human Services Average Cost Per Person Receiving Emergency Shelter and/or Nonresident Services ~~266.23~~ 267.74 ~~266.23~~ 268.65

HHSC 2 — II-73

Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, 1232.103.

	20068		20079	
a. Acquisition of Information Resource Technologies				
~~(1) Compliance with Federal HIPAA (Health Insurance Portability and Accountability Act) Regulations Across HHS Agencies~~	~~$6,089,356~~		~~$6,089,356~~	
(2) Infrastructure Maintenance	~~8,875,410~~	6,351,753	~~8,303,395~~	6,241,753
~~(3) Health and Human Services Administrative System (HHSAS) Project~~	~~8,250,775~~		~~6,794,726~~	
~~(4) TIERS Debt Service~~	~~2,837,279~~		~~683,907~~	
(5) Texas Integrated Eligibility Redesign System	~~14,903,873~~	17,641,870	~~14,903,973~~	14,063,710
(6) TIERS Lease Payments to Master Lease Program	~~10,367,058~~	5,417,859	~~8,803,107~~	3,454,070
Total, Acquisition of Information Resource Technologies	~~$51,323,751~~	29,411,482	~~$45,578,364~~	23,759,533
Total Capital Budget	~~$51,323,751~~	29,411,482	~~$45,578,364~~	23,759,533

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HHSC 2	II-73	Method of Financing (Capital Budget): GR Match for Medicaid ~~$12,512,083~~ 5,550,015 ~~$11,122,542~~ 4,635,604 GR MOE for Temporary Assistance for Needy Families ~~113,518~~ 34,258 ~~90,328~~ 34,506 ~~Earned Federal Funds~~ ~~48,976~~ ~~0321345~~ GR Match for CHIP 4,075 4,168 Tobacco Receipts for CHIP 164,331 166,967 GR Match for Food Stamp Administration ~~9,960,696~~ 5,193,527 ~~8,595,625~~ 4,384,142 General Revenue ~~$3,351,192~~ 5,554,833 ~~2,818,981~~ 3,567,665 Subtotal, General Revenue Fund ~~$25,986,465~~ 16,501,039 ~~$22,659,821~~ 12,793,052 Federal Funds ~~22,556,768~~ 12,178,040 20,627,735 10,344,078 Interagency Contracts ~~2,780518~~ 732,403 $2,290,808 622,403 Total, Method of Financing ~~$51,323,751~~ 29,411,482 ~~$45,578,364~~ 23,759,533 *This rider has been updated for capital projects requested in base funding. There is an updated version for capital budget Exceptional Request Riders.*
HHSC 3	II-73	**Budget Authority for Estimated Pass-through Funds.** In addition to the amounts appropriated above for the Health and Human Services Commission, the Commission may establish additional budget authority with the Comptroller of Public Accounts to reflect other estimated income except from the General Revenue Fund. *This rider needs to be retained. No revisions are required.*
HHSC 4	II-73	**Reimbursement of Advisory Committee Members.** Pursuant to Government Code 2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above - not to exceed $39,565 per year, is limited to the following advisory committees: Hospital Payment Advisory Committee, Medical Care Advisory Committee, Drug Use Review Board, Pharmaceutical and Therapeutic Committee, Public Assistance Health Benefits Review and Design Committee and Guardianship Advisory Board. To the maximum extent possible, the Commission shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays. *The rider needs to be retained and is updated for a committee created by H.B. 2292 (78th Session).*

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HHSC 5	II-74	**Appropriation of Receipts: Civil Monetary Damages and Penalties.** Included in the GR Match for Medicaid appropriated above is $1,414,870 for the biennium from funds collected as civil monetary damages and penalties under Human Resources Code - 32.039. Any amounts above $1,414,870 are hereby appropriated to the Health and Human Services Commission for expenditures incurred in supporting the Office of Inspector General. ~~in amounts equal to the costs of the investigation and collection proceedings conducted under the authority of that section.~~ *This rider is revised to broaden the use of civil monetary damages collected.*
HHSC 6	II-74	**TIERS Oversight.** It is the intent of the Legislature in funding the Texas Integrated Eligibility Redesign System (TIERS) initiative at the Health and Human Services Commission that the agency shall continue in its project oversight role to assure that client eligibility systems among other health and human services agencies and the Workforce Commission are appropriately accommodated in the design and implementation of TIERS. *This rider is not necessary since TIERS is a program at HHSC and TIERS has its own appropriation. This rider was placed in HHSC's bill pattern when TIERS was being developed at legacy Department of Human Services.*
HHSC 7	II-74	**Assessments to Health and Human Services Agencies.** The **Health and Human Services** Commission shall notify the Legislative Board and the Governor by November ~~September~~ 1 of each fiscal year of the annual amount of funds to be transferred by interagency contracts by each agency under the authority of the Health and Human Services Commission in Government Code, Chapter 531. The report shall provide and explanation of each contract. The Health and Human Services Commission shall provide quarterly updates to the Legislative Budget Board and the Governor, indicating amounts that have actually been transferred and amounts that remain to be transferred. *This rider is amended to allow more time to coordinate billings and contracts with the other HHS agencies. The date would also align better with Operating Budget submissions. Assessment amounts are not final by September 1.*
HHSC 8	II-74	**Custody Relinquishment Prevention Plan.** The Health and Human Services Commission is hereby authorized to develop and implement a plan to prevent custody relinquishment of youth with serious emotional disturbances. To the extent required to implement the plan, the Health and Human Services Commission is authorized to request any necessary waivers or authorizations from the federal government. The Health and Human Services Commission may delay implementing the plan until necessary waivers, authorizations, and funding are provided. *This rider needs to be retained. No revisions are required.*

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~~HHSC 9~~	~~II-74~~	~~**Limitation Medicaid and CHIP Transfer Authority,**~~ ~~**a. Goal B, Medicaid,** Notwithstanding the transfer provision in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for Medicaid Strategies in Goal B may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between Medicaid Strategies in Goal B in accordance with other provisions in this Act, including the general transfer provisions.~~ ~~**b.Goal C, CHIP Services,** Notwithstanding the transfer provisions in the general provisions (general transfer provisions) of this Act, none of the funds appropriated by this Act to the Health and Human Services Commission for CHIP Strategies in Goal C may be transferred to any other item of appropriation or expended for any other purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor; however, transfers may be made between CHIP Strategies in Goal C in accordance with other provisions in this Act, including the general transfer provisions.~~ ~~c. **Exception to Limitations on Transfers.** As an exception to limitations on transfers found in subsections (a) and (b) of this provision, up to a total of $14.0 million in General Revenue for the biennium from Goal B, Medicaid and Goal C, CHIP Services, may be transferred within the Commission's bill pattern to fund Integrated Eligibility. The Commission shall provide notification to the Legislative Budget Board and the Governor of its intent to transfer under authority of this subsection. The proposed expenditure shall be considered to be approved if neither the Legislative Budget Board nor the Governor issues a written disapproval not later than:~~ ~~1. The 10th business day after the date the staff of the Legislative Budget Board concludes its review of the proposed expenditures and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and~~ ~~2. The 10th business day after the receipt of the purposed expenditures by the Governor.~~ *-This rider is deleted because all transfer limitations have been reworded into one provision, HHSC Rider # 22. This recommendation would alleviate confusion on transfer authority within the agency by addressing it in one provision.*

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HHSC 10	II-75	**Vendor Drug Rebates – Medicaid and CHIP.** a. **Medicaid.** The Health and Human Services Commission is authorized to expend Medicaid rebate revenues appropriated above in Strategy B.2.2., Medicaid Vendor Drug Program pursuant to the federal requirements of the Omnibus Budget and Reconciliation Act of 1990 as well as rebates collected in excess of federal requirements pursuant to state law. All references in this rider to rebate revenue refer to vendor drug rebates as well as supplemental rebates earned via the preferred drug lists (methods of finance include Vendor Drug Rebates-Medicaid, Vendor Drug Rebates-CHIP and Vendor Drug Rebates – Supplemental Rebates). b. **CHIP.** The Health and Human Services Commission is authorized to expend CHIP rebate revenues and related interest earnings appropriated above in Strategy C.1.4, CHIP Vendor Drug Program. c. **Rebates as a First Source of Funding.** Expenditures for the Medicaid and CHIP Vendor Drug Programs shall be made from rebates received in fiscal years 2006~~8~~ and 2007~~9~~ and. As rebates are generated, expenditures to support the Medicaid and CHIP Vendor Drug Programs shall be made from rebate revenues. In the event rebate revenues are not available for expenditure, General Revenue may be used to support the both Vendor Drug Programs until rebate revenues are available.. d. **Appropriation.** In addition to rebate revenues appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, and Strategy C.1.4, CHIP Vendor Drug Program, the Health and Human Services Commission is appropriated Medicaid and CHIP vendor drug rebates generated in excess of those amounts, subject to the following requirements: (1) Vendor drug rebates shall be expended prior to utilization of any General Revenue available for the purpose of the CHIP or Medicaid Vendor Drug Program; (2) In the event General Revenue has been expended prior to the receipt of vendor drug rebates, the Commission shall reimburse General revenue. The Commission shall reimburse the General Revenue Fund with vendor drug rebates on a monthly basis in order to prevent accumulation of vendor drug rebates; and (3) ~~The Commission shall report monthly to the Legislative Budget Board, the Governor, and the Comptroller 's Office on Medicaid and CHIP vendor drug receipts, expenditures (including expenditures from the General Revenue Fund, made pursuant to this section), and anticipated revenues and balances.~~ Reporting requirements related to these revenue sources are provided elsewhere in this Act.

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HHSC 10	II-75	e. **Limited Use of Rebates.** Rebates generated by the Medicaid program shall only be used for the Medicaid Program. Rebates generated by the CHIP program shall only be used for the CHIP program. *This rider has been updated for biennial dates and to cleanup reporting language to be consistent throughout the agency pursuant to HHSC Rider 45. Several riders have conflicting requirements. This recommendation would provide consistency throughout provisions.*
HHSC 11	II-75	**Medicaid Subrogation Receipts (State Share).** For the purposes of this provision, Medicaid Subrogation Receipts are defined as tort settlements related to the Medicaid program. Amounts defined as Medicaid Subrogation Receipts are to be deposited into the General Revenue Fund, Object No. 3802. The Commission is authorized to receive and expend Medicaid Subrogation Receipts. Expenditures shall be made from recipients and interest earnings received in fiscal year 2006~~8~~ and fiscal year 2007~~9~~. The use of the state share of Medicaid Subrogation Receipts is limited to funding services for Medicaid clients. Medicaid Subrogation Receipts shall be expended as they are received as a first resource, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as Medicaid Subrogation Receipts (State Share), the Commission is hereby appropriated and authorized to expend these Other Funds thereby made available, subject to the following requirements: a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purpose; b. In the event General Revenue has been expended prior to the receipt of the state share of Medicaid Subrogation Receipts, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of Medicaid Subrogation Receipt balances; and c. ~~The Commission shall report quarterly to the Legislative Budget Board, the Governor, and the Comptrollers Office on Medicaid Subrogation Receipts, expenditures, and anticipated revenue and balances.~~ Reporting requirements related to this revenue source is provided elsewhere in this Act. The preceding paragraph shall be the exclusive appropriation authority for receipts from the above identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act. *This rider has been updated for biennial dates and to cleanup reporting language to be consistent throughout the agency pursuant to HHSC Rider 45. Several riders have conflicting requirements. This recommendation would provide consistency throughout provisions.*

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HHSC 12	II-76	**Appropriation Transfers and Unexpended Balances Between Fiscal Years.** In addition to the transfer authority provided elsewhere in this Act and in order to provide for unanticipated events that increase costs associated with providing Medicaid or CHIP services for eligible clients, the Health and Human Services Commission is authorized to transfer General Revenue from funds appropriated in Medicaid or CHIP strategies in fiscal year 2007~~9~~ to fiscal year *2006~~89~~ and such funds are appropriated to the Commission for the 2008-09 biennium.*~~-~~ Such transfers may only be made subject to the following: a. Transfers under this section may be made only: (1) If costs associated with providing Medicaid or CHIP services exceed the funds appropriated for these services for fiscal year 2006~~8~~, or (2) For any other emergency expenditure requirements, including expenditures necessitated by public calamity. b. ~~A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board~~ The Health and Human Services Commission shall notify the Governor and the Legislative Budget Board 30 days prior to the date of the proposed transfer. c. The comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section. Any unexpended balances remaining from Medicaid appropriations for fiscal year 2008 may be carried over to fiscal year 2009 for the same purpose. *This rider has been updated for biennial dates. It needs to be retained as it provides flexibility to manage the Medicaid and CHIP program through the biennium. The rider has been revised to clarify notification timeframes and to provide unexpended balance authority within the biennium for Medicaid funding that was previously authorized in HHSC Rider 15, which is recommended for deletion.*
HHSC 13	II-76	**Reporting of Child Abuse.** The Texas Health and Human Services Commission may distribute or provide appropriated funds only to recipients who show good-faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code. *This rider could be retained.*

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HHSC 14	II-76	**Authorization to Receive, Administer, and Disburse Federal Funds.** The appropriations made herein may be used to match or to meet maintenance of effort requirements for Federal Funds granted to the state for the payment of personal services and other necessary expenses in connection with the administration and operation of state programs of health and public welfare services. Notwithstanding the General Provisions of this Act, the Health and Human Services Commission is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as Federal Funds for such purposes, and to receive, administer, and disburse Federal Funds for federal regional programs in accordance with plans agreed upon by the Health and Human Services Commission and the responsible federal agency, and such other activities as come under the authority of the Texas Commissioner of Health and Human Services, and such moneys are hereby appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned Federal Funds are not considered to be Federal Funds for the purpose of this section. *This rider needs to be retained. No revisions are required.*
~~HHSC 15~~	~~II-77~~	~~**Medical Assistance Payments and Unexpended Balances.** Funds for Medical Assistance payments appropriated for Medicaid Strategies in Goal B out of the General Revenue Fund for Medicaid services shall be made available to the agency by the Comptroller of Public Accounts in equal monthly installments on the first day each calendar month; provided, however, that any balances on hand in such funds may be carried over from month to month during each fiscal year and from fiscal year 2004 to fiscal year 2005, and such funds are appropriated to the Commission for the 2004-05 biennium.~~ *This rider has been deleted, as it is no longer necessary due to federal and state laws. Reinstituting this provision during the FY 206-07 biennium after years of discontinuation has resulted in potential cash flow issues and increased workload. Changes have been incorporated in HHSC Rider 12.*
~~HHSC 16~~	~~II-77~~	~~**Risk Stabilization Reserve.** Upon termination of a contract with the fiscal agent or insurance carrier for purchased health insurance, or change to another fiscal arrangement, the state share of the unexpended balance in the risk stabilization reserve and / or trust account shall be deposited into the General Revenue Fund and such funds are not appropriated to the Health and Human Services Commission.~~ *This rider is deleted because there is no Risk Stabilization Reserve in the fiscal agent arrangement.*

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HHSC 17	II-77	**Accounting of Support Costs.** The Comptroller of Public Accounts shall establish separate accounts from which certain support costs shall be paid. The Health and Human Services Commission is hereby authorized to make transfers into these separate accounts from line item strategies in order to pay for these expenses in an efficient and effective manner. Only costs not directly attributable to a single program may be budgeted in or paid from these accounts. Items to be budgeted in and paid from these accounts include but are not limited to: postage, occupancy costs, equipment repair, telephones, office printing costs, supplies, freight and transport costs, telephone system costs and salary and travel costs of staff whose function supports several programs. The commission shall be responsible for quarterly allocations of these costs to the original strategies. *This rider needs to be retained. No revisions are required.*
~~HHSC 18~~	~~II-77~~	~~**Payment of Hospital Providers.** At the hospital's option, all payments from funds appropriated for acute care services made to hospitals (1) with more than 100 licensed beds, located in a county that is not a metropolitan statistical area (MSA) as defines by the U.S. Office of Management and Budget, and designated by Medicare as Sole Community Hospital (SCH) or Rural Referral Center (RRC), or (2) with 100 or fewer licensed beds may be reimbursed under a cost-reimbursement mythology authorization by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) using the most current available cost figures. Hospitals reimbursed under TEFRA cost principals shall be paid without the imposition of the TEFRA cap. Hospitals that meet these criteria as of September 1, 2005, retain this reimbursement mythology in fee-for-service and managed care models.~~ ~~An initial cost settlement of the hospital's fiscal year, the Health and Human Services Commission shall determine the amount of reimbursement the hospital would have been paid under TEFRA cost principals, and if the amount of reimbursement under TEFRA principals is greater than the amount of reimbursement received by the hospital under the prospective payment system, the Health and Human Services Commission shall reimburse the hospital the difference. These payments shall be made out of the funds appropriated above for acute care hospital services.~~ *Implementation of reductions related to implementation of managed care for aged, blind and disable populations (Art. II, Sec. 49) also reduces the Standard Dollar Amount (SDA) for eight delivery areas to achieve a targeted savings. If this provision is retained, under 100-bed facilities will be paid the greater of TEFRA or DRG. Those facilities that had their SDA reduced, as part of the Sec. 49 savings will automatically receive the TEFRA reimbursement, which negates the intended savings. Additionally the studies and reports required this session by Riders 60 and 61 could impact reimbursement methodology.*

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~~HHSC 19~~	~~II-78~~	~~**Payments to Rural Hospitals under Medicaid Managed Care.** All payments from funds appropriated for acute care services made to rural hospitals with 100 or fewer licensed beds in counties with fewer than 50,000 persons that are in a Medicaid managed care program must be reimbursed at a rate calculated using the higher of the prospective payment system rate or cost-reimbursement methodology authorized under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Hospitals reimbursed under TEFRA cost principles shall be paid without the imposition of the TEFRA cap. Under a full-risk managed care pilot project, the participating managed care organizations shall reimburse the hospitals. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.~~ *This rider is not needed. It restricts HHSC's ability to observe savings with a statewide PCCM program.*
~~HHSC 20~~	~~II-78~~	~~**Payments to Rural Physicians under Medicaid Managed Care.** All payments made to physicians who practice in rural counties with fewer than 50,000 persons and who participate in a Medicaid managed care program must be reimbursed at the Medicaid fee schedule, or in the case of a full-risk managed care model, at a rate using the current Medicaid fee schedule, including negotiated fee for service. Under a primary care case management system model, primary care physicians also shall be paid a monthly case management fee. This section applies only to a managed care contract that is entered into or renewed on or after September 1, 1997.~~ *This rider is not needed. It restricts HHSC's ability to observe savings with a statewide PCCM program.*
HHSC 21	II-78	**Disposition of Appropriation Transfers from State-owned Hospitals.** The Health and Human Services Commission shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments due to state-owned hospitals. Any amounts of such transferred funds not required for disproportionate share payments ~~or payments as specified by rider 30, Graduate Medical Education,~~ shall be deposited by the Health and Human Services Commission to the General Revenue Fund as unappropriated revenue. By October 1 of each fiscal year, the Health and Human Services Commission shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board. The Comptroller of Public accounts shall process all payments and transfers, unless disapproved or modified by the Legislative Budget Board or the Governor. *This rider needs to be retained. Revisions include removal of rider references to GME as hospitals were not providing the state match for GME reimbursement.*

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HHSC 22	II-78	**Transfer Authority.** ~~Subject to the limitations contained in rider 9, Limitation: Medicaid and CHIP Transfer Authority, and notwithstanding any other provision,~~ Notwithstanding the transfer provision in the general provisions (general transfer provisions) of this Act, appropriations contained in this Act to the Health and Human Services Commission may be transferred from one appropriation item to another appropriation item in amounts not to exceed 25 percent of All Funds for the fiscal year, upon approval by the Commissioner, subject to the following reporting requirements: ~~a. At least 45 days prior to any transfer of funds between items of appropriation notification shall be made to the Governor and the Legislative Budget Board.~~ ~~b. At least 45 days prior to adopting or implementing a program expansion, notification shall be made to the Governor and the Legislative Budget Board.~~ ~~c. Program expansion is defined as any modification of current policy that would result in delivery of new or additional services not previously provided or the delivery of services to additional client populations~~ a. Transfers made within Goals B, Medicaid, and C, CHIP and between Goals B and C are hereby authorized and the Health and Human Services Commission shall notify the Governor and the Legislative Budget Board of the transfer within fifteen days after the transfers are made. These transfers are not subject to the 25 percent limit. b. Transfers of GR Match for Medicaid to appropriations outside of Goals B and C for other purposes require notification to the Governor and the Legislative Budget Board. The proposed expenditure shall be considered to be approved if neither the Legislative Budget Board nor the Governor issues a written disapproval not later than 30 days of the date of the notice. c. ~~Notifications shall include information regarding the source of funds to be transferred; any changes in Federal Funds related to the proposed transfer; the strategy from which the transfer is to be made and the strategy to which the transfer is to be made; the need which was to be served through the original appropriation and the basis for the decrease in need; the need to be served in the strategy receiving the funds and the basis for such selection; and the amounts of funds to be spent on direct client services as opposed to both general and operating support costs. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; source of funding; and impact on existing programs.~~ *This rider is amended, authorizes additional flexibility needed to operate the agency. Medicaid funding is no longer just in Goal B as it was at HHSC prior to H.B. 2292 Consolidation. The interdependency of Perinatal funding between Medicaid and CHIP also requires transferability between Goal B and C appropriations. This rider needs to be amended acknowledging that HHSC is a more expansive, complex agency with multiple funding sources crossing multiple strategies.*

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HHSC 23	II-79	**Medicaid Provider Reimbursement.** The Health and Human Services Commission shall establish and maintain a provider reimbursement methodology that recognizes and rewards high volume Medicaid practitioners to include those along the Texas-Mexico border and in medically underserved inner-city areas, where Medicaid funding is vital to the health care delivery system. *The rider needs to be retained. No revisions are required.*

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HHSC 24	II-79	**Use of Additional Medicaid Program Income.** For the purposes of this provision, Medicaid program income is defined as: 1) refunds/rebates of previously paid premiums and interest earnings generated in relationship to accounts listed below; and 2) refunds/rebates received from the Medicaid claims payment contractor or other sources; and 3) managed care rebates as described below. Amounts defined as program income are to be deposited into the General Revenue Fund, Object No. 3639. The Health and Human Services Commission is authorized to receive and spend program income and interest earnings generated from fund balances with the Disbursement Account, and the STAR (Managed Care) Account, as defined in the contractual agreement with the fiscal agent and / or insurance carrier for purchased health services except for those interest earnings related to the Cash Management Improvement Act (CMIA) The Commission is also authorized to receive and spend experience rebates generated in accordance with its contractual agreements with health maintenance organizations who participate in Medicaid managed care. Expenditures shall be made from credits, managed care rebates, and interest earnings received in fiscal years 2008~~6~~ and 2007~~9~~. The use of the credits, managed cares rebates, and interest earnings is limited to funding services for Medicaid clients. Medicaid program income shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support the Medicaid program. In the event that these revenues should be greater than the amounts identified in the method of finance above as program income, the commission is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements: a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purposes; b. In the event General Revenue has been expended prior to the receipt of program income, the commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of program income balances; and c. ~~The Commission shall report quarterly to the Legislative Budget Board, the Governor, and the Comptroller's Office on program income receipts, expenditures, and anticipated revenues and balances.~~ Reporting requirements related to this revenue source is provided elsewhere in this Act. The preceding paragraph shall be the exclusive appropriation authority for receipts from the above-identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act. *This rider has been updated for biennial dates and to cleanup reporting language to be consistent throughout the agency pursuant to HHSC Rider 45. Several riders have conflicting requirements. This recommendation would provide consistency throughout provisions.*

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HHSC 25	II-79	**Use of Additional CHIP Experience Rebates.** For the purpose of this provision, CHIP Experience Rebates are defined as: 1) refunds/rebates of previously paid CHIP premiums and related interest earnings; and 2) managed care rebates and related interest earnings as described below. Amounts defined as CHIP Experience Rebates are to be deposited into the General Revenue Fund. The Health and Human Services Commission is authorized to receive and spend experience rebates generated in accordance with its contractual agreements with managed care organizations and other providers who participate in the CHIP, Immigrant Health Insurance, and School Employee Health Insurance programs. Expenditures shall be made from CHIP Experience Rebates generated in fiscal years 2004 and 2005. The method of financing item, Experience Rebates – CHIP, for appropriations made above, includes unexpended and unbigoted balances of Experience Rebates – CHIP remaining as of August 31, 2005, and receipts earned in fiscal years 200~~6~~8 and 200~~7~~9. The use of CHIP Experience Rebates is limited to health care services for CHIP clients, CHIP Experience Rebates shall be expended as they are received as a first source, and General Revenue shall be used as a second source, to support CHIP-related programs. In the event that these revenues should be greater than the amounts identified in the method of finance above as Experience Rebates – CHIP, the ~~department~~commission is hereby appropriated and authorized to expend these General Revenue Funds thereby made available, subject to the following requirements: a. Amounts available shall be expended prior to utilization of any General Revenue available for the same purpose; b. In the event General Revenue has been expended prior to the receipt of CHIP Experience Rebates, the Commission shall reimburse General Revenue. This process shall be completed on a monthly basis in order to prevent accumulation of CHIP Experience Rebate balances; and c. ~~The Commission shall report quarterly to the Legislative Budget Board, the Governor, and the Comptrollers Office on CHIP Experience Rebate receipts, expenditures, and anticipated revenue and balances.~~ Reporting requirements related to this revenue source is provided elsewhere in this Act. The preceding paragraph shall be the exclusive appropriation authority for receipts from the above-identified sources and none of these receipts shall be appropriated by a provision of Article IX of this Act. *This rider has been updated for biennial dates and to cleanup reporting language to be consistent throughout the agenc pursuant to HHSC Rider 45. Several riders have conflicting requirements. This recommendation would provide consistency throughout provisions. The lack of data here has made this expense very difficult to forecast.*

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~~HHSC 26~~	~~II-80~~	~~**Language Interpreter Services.** It is the intent of the Legislature that the Health and Human Services Commission provide recipients of medical assistance with oral and written language interpreter services financed solely by contributions from local governmental entities and federal matching funds available under the medical assistance program.~~ *Medicaid CHIP Division recommends deletion of this rider as HHSC is finalizing feasibility of this pilot per S.B. 376 and there does not appear to be a feasible methodology to implement this provision using local funds.*
HHSC 27	II-80	**CHIP: Unexpended Balances and Allocation of Funds.** a. The Health and Human Services Commission is hereby appropriated any unexpended balances remaining as pf August 31, 200~~6~~7, from the appropriations for the Children's Health insurance Program (estimated to be $0). Balances Appropriated may only be expended in the manner provided for by this section. b. It is the intent of the Legislature that tobacco settlement receipts appropriations made above in Goal C, CHIP Services and Strategy A.1.2 Integrated Eligibility and Enrollment, include $190.6~~187.1~~ million for fiscal year 200~~6~~8 and $167.1~~239.5~~ million for fiscal year 200~~7~~9 in tobacco settlement receipts paid to the State pursuant to the Comprehensive Tobacco Settlement and Release. In the event that the State has not received a tobacco settlements payment for fiscal year 200~~6~~8 and fiscal year 200~~7~~9 by September 1 each year of the biennium, the Comptroller of Public Accounts is hereby authorized to use general revenue funds as needed for program expenditures for cash flow purposes between the beginning of the fiscal year and the receipt by the state of tobacco settlement payment for the fiscal year. Upon receipt of the tobacco settlement payment, the general revenue fund shall be reimbursed with tobacco settlement receipts for all expenditures made pursuant to this provision. c. Any unexpended balances remaining from appropriations made in Goal C, CHIP Services, for fiscal year 200~~6~~8 may be carried over to fiscal year 200~~7~~9. *This rider has been updated for biennial dates and for CHIP tobacco funding associated with baseline request and adds the Integrated Eligibility Strategy where CHIP eligibility is paid. The large dollar difference between the two fiscal years is the assumption of 13 months of premiums in FY 2008 and only 11 months in FY 2009. Any estimated balances in CHIP for the 2006-07 biennium have already been applied to reduce the estimated Medicaid biennial shortfall.*
HHSC 28	II-80	**Cash Basis Expenditures Authorization.** Notwithstanding any other provision of this Act, the Health and Human Services Commission is authorized to expend Medicaid appropriations in a fiscal year without regard to date of service. The authorization herein is limited to expenditures for claims payments, premiums, cost settlements and other related expenses for Medicaid client services. *This rider needs to be retained. No revisions are required.*

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~~HHSC 29~~	~~II-80~~	~~**Mental Retardation Provider Cost Reporting.** The Health and Human Services Commission shall review and revise its mental retardation provider cost reporting rules, regulations and procedures for the purposes of simplifying the cost reporting process and reducing overall administrative costs to the state and providers while providing fair and accurate financial information to the state necessary to the proper planning and funding of mental retardation services. In so doing, the Health and Human Services Commission shall seek to capture any and all costs, follow GAAP standards and to the extent possible, utilize financial statements, similar to those prepared for banking, tax, and other common business financial planning, evaluation and reporting purposes.~~ ~~In implementing this directive, the Commission shall work with providers, advocates, agency staff, and private sector financial experts, and shall ensure a clear separation between the rate setting and analysis functions from the audit functions.~~ *This rider can be deleted, as revisions to cost reporting rules and procedure are* complete. *A MR cost report simplification study was conducted by a contracted consultant and was completed in February 2006. HHSC is in the process of modifying the 2006 MR cost reports and instructions that will be finalized and mailed to MR providers on December 31, 2006. This provision was originally added during the 78th Legislature.*
~~HHSC 30~~	~~II-81~~	~~**Graduate Medical Education.** The Health and Human Services Commission is authorized to spend up to $80.9 million in Appropriated Receipts – Match for Medicaid and an amount of Federal Funds estimated to be $124.4 million for the biennium out of strategy B.2.1. Cost reimbursement services, for Graduate Medical Education payments to teaching hospitals, contingent upon receipts of allowable funds from public teaching hospitals to be used as the non-federal share for Medicaid Graduate Medical Education. Appropriate receipts – Match for Medicaid shall be the only source of funds used for the non-federal share for Medicaid Graduate Medical Education. The Commission shall develop a payment mythology that allocates funds for Medicaid Graduate Education to all public and private teaching hospitals, and mitigates negative fiscal impacts on contributing hospitals and other state funding.~~ *This rider is deleted as hospitals chose not to provide the state share as match for funding the Medicaid Graduate Medical Education Program during the 2006-07 biennium. State funding for GME is requested in Exceptional item #23.*
HHSC 31	II-81	**Contingent Appropriation: Cost Sharing – Medicaid Clients.** Contingent upon federal approval, the Health and Human Services Commission is authorized to collect and is hereby appropriated all cost sharing revenues generated by Medicaid clients as authorized in Section 32.064 of the Human Resources Code. *This rider needs to be retained for the Medicaid Buy-In Program. No revisions are required.*

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HHSC 32	II-81	**Food Stamp Program Funds Appropriated.** The Health and Human Services Commission is hereby designated as the state agency to establish and operate a statewide Food Stamp Program and to accept all moneys appropriated for this purpose by the federal or state governments, by the Commissioners' Court of any county, by any political subdivisions of the state, or received from any other source as provided for herein and in Chapter 33, Human Resources Code. The Health and Human Services Commission is authorized to expend such funds for welfare purposes, including the cost of distributing foods to needy people, institutions, school lunch programs, or otherwise as provided by the laws of the United States and the rules and regulations issued pursuant thereto, for the establishment and operation of a statewide Food Stamp Program and for the employment of essential personnel who shall be employed under a merit system basis comparable to the merit principles or standards applicable to all other personnel of the commission ~~department~~. *This rider is corrected to reference HHSC, not the Department of Human Services*
HHSC 33	II-81	**Additional Funding Sources, Medicaid.** Notwithstanding any other provision of this Act, if the appropriations provided for a Medicaid program are not sufficient to provide for expenditures mandated by either state or federal law, after accounting for any appropriations made to the agency operating the Medicaid program, and available for transfer to the Medicaid program, the Legislative Budget Board and the Governor may provide for and are hereby authorized to direct the transfer of sufficient amounts of funds to the Health and Human Services Commission from appropriations made elsewhere in this Act. *This rider needs to be retained. No revisions are required*

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HHSC 34	II-81	**Appropriation ~~and Reporting~~ of Earned Federal Funds.** a. ~~The Health and Human Services Commission shall submit a monthly report to the Legislative Budget Board and the Governor which details revenues, expenditures, and balances for earned federal funds as of the last day of the prior month. The report shall be prepared in a format approved by the Legislative Budget Board.~~ Reporting requirements related to this revenue source is provided elsewhere in this Act. b. The authority to receive and expend earned federal funds generated in the 200~~6~~8-07 biennium in excess of those appropriated above is subject to the following limitations: (1) At least 45 days prior to budgeting or expending earned federal funds above levels indicated in the appropriation above, the commission shall report the earned federal funds received and provide documentation of the proposed use of these funds to the Legislative Budget Board and the Governor. (2) Notification shall include information regarding the need that will be served with the additional revenue. In the event program expansions are under consideration, information shall be forwarded regarding the population to be served; criteria for eligibility; and impact upon existing programs. (3) Notification shall also identify the impact on established performance targets, measures, and full-time equivalent positions. c. The method of financing item, Earned Federal Funds, for appropriations made above includes unexpended and unobligated balances of earned federal funds remaining as of August 31, 200~~7~~5 (estimated to be $0), and receipts earned in fiscal years 200~~6~~8 and 200~~7~~9. *This rider has been updated for biennial dates and to cleanup reporting language to be consistent throughout the agency pursuant to HHSC Rider 45. Several riders have conflicting requirements. This recommendation would provide consistency throughout provisions.*

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HHSC 35	II-82	**Child Support Supplemental Payments.** Out of the funds appropriated above in Strategy D.1.1, TANF Grants, and child support collections from the Child Support Trust Fund, the commission shall make supplemental payments to families receiving welfare who would be eligible to receive child support ~ pass through and ~ first excess payments under the Social Security Act Title IV-child support distribution requirements prior to passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These payments shall equal the amounts of the ~pass through" and " first excess" payment the family would have received under prior law. Child Support collections shall comprise of each total payment. The portion of the total payment funded with child support collections shall equal the state share of the Federal Medical Assistance Percentage (FMAP) for the fiscal year. If child support " pass through" or " first excess" payment distribution requirements are modified by federal law after enactment of this provision, the commission, in cooperation with the Office of the Attorney General, shall adjust the supplemental payments as necessary to be consistent with federal law and to not exceed the total the family would have received prior to welfare reform. The commission shall report any change of child support supplemental payments to the Governor and Legislative Budget Board. *This rider needs to be retained. No revisions are required*
HHSC 36	II-36	**Temporary Emergency Assistance for Families At-Risk of Welfare Dependency.** Out of funds appropriated above in Strategy D.1.1, TANF Grants, the commission shall provide a one-time emergency assistance payment to applicants for Temporary Assistance for Needy Families (TANF) who are likely to be employed within a short period of time, without referral to the Choices program. It is the intent of the Legislature that the commissions expand the use of one-time emergency payments as a cost-effective deterrence from the TANF program. *This rider needs to be retained. No revisions are required*
HHSC 37	II-82	**High Performance Bonus for Administration of the Food Stamp Program.** High Performance Bonuses are annual incentive payments to state agencies that meet standards for high or most improved performance established by the Secretary of the U.S. Department of Agriculture. The authority to expend high performance bonuses for administrative costs paid in a prior fiscal year is subject to the following conditions: a. Within 30 days of receiving notice of the state eligibility for a performance bonus, the Health and Human Services Commissi9n shall notify the Legislative Budget Board and the Governor; b. At least 45 days prior to budgeting a performance bonus, the Health and Human Services Commission shall provide documentation of the purposed use of these funds to the Legislative Budget Board and the Governor. The report shall identify the impact on established performance targets, measures, and full-time equivalent positions, and shall be prepared in a format specified by the Legislative Budget Board.

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HHSC 37	II-83	c. In the event that the state receives a performance bonus, the Health and Human Services Commission is appropriated all funds received by the agency as Earned Federal Funds (General Revenue) subject to all limitations in this rider and to the following: (1) A portion of these funds, in each year of the biennium, shall be used by the Health and Human Services Commission for the development and operation of a nutrition education and outreach program, or for activities that otherwise improve low-income consumers' access to basic nutrition and healthy foods; and (2) A portion of these funds, in each year of the biennium, shall be used by the Health and Human Services Commission to provide bonuses to positions classifications <u>across any Article II agency</u> whose effects directly contributed to meeting these performance standards, or to position classification who meet or exceed customer service performance measures developed by the commission, or whose efforts directly contributed to increasing the percentage of eligible persons who receive Food Stamps. (3) Any High Performance bonus received by the Health and Human Services Commission between June 2, 2005<u>7</u> and August 31, 2005<u>7</u> is hereby appropriated to the commission. d. Before an employee can be eligible for a bonus, the employee must have been employed in the program for the related twelve months, remain employed in the program, and whose performance meets expectations. e. The commission has the authority to determine whether employees who have received bonuses under this provision are eligible for merit salary increases during a twelve-month period prior to or after receipts of the bonus. f. The commission shall prepare annual reports by October 1 of each year of the biennium summarizing the commission's progress in implementing the outreach program required in section (c) and file those reports with the standing committees of the Senate and House of Representatives having primary jurisdiction over health and human services. *This rider is retained subject to the receipt of future USDA Performance Bonuses in the 2008-09 biennium. Revisions include updating biennial dates and permitting HHSC to provide bonuses to those staff at other HHS agencies (primarily Department of Aging and Disability Services) who met the criteria in c.(2) but may have moved to another HHS agency*

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HHSC 38	II-83	**Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** It is the intent of the Legislature that all general revenue appropriated above TANF maintenance of effort shall be expended within the appropriate fiscal year for that purpose in order to secure the TANF federal block grant for the state. Out of funds appropriated above in Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, $\underline{\$63,483,203}$ ~~$84,842,577$~~ in general revenue is appropriated for TANF maintenance of effort for fiscal year 200$\underline{8}$~~7~~ and $\underline{\$66,800,542}$ ~~$85,293,745$~~ in general revenue is appropriated for TANF maintenance of effort for fiscal year 200$\underline{9}$~~8~~. None of the general revenue appropriated for TANF maintenance of effort in Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated. However, general revenue appropriated for TANF maintenance of effort may be transferred to Strategy A.1.2, CSS Eligibility and Issuance Services, subject to the following limitations: a. Declines or shifts in TANF caseloads prevent the Health and Human Services Commission from expending all general revenue appropriated for TANF maintenance of effort in Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, within the appropriate fiscal year; b. The amounts of general revenue transferred from Strategy D.1.1, TANF Grants, shall be expended within Strategy A.1.2, CSS Eligibility and Issuance Services within the appropriate fiscal year; and c. At least 14 days prior to transferring general revenue funds between Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, the Health and Human Services Commission shall notify the Legislative Budget Board and the Governor. *This rider has been updated for and biennial dates and dollar amounts in the baseline funding. There is an updated version for Exceptional Request Riders for funding in Exceptional Item #2.*
HHSC 39	II-84	**Earned Income Disregard.** It is the intent of the Legislature that out of amounts appropriated above to Strategy D.1.1, TANF Grants, the Health and Human Services Commission is to maintain the earned income disregard for working TANF families. When determining eligibility and benefits, the commission shall exclude $120 of earnings and 90 percent of the remaining earnings for each of the first four months of employment by a recipient. After the first four months of employment, the $\underline{\text{commission}}$ ~~department~~ shall exclude $120 of a recipient's earnings each month. *This rider is corrected to reference HHSC, not the Department of Human Services.*

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HHSC 40	II-84	**Performance Reporting for the Prescription Drug Rebate Program.** The Commission shall report on a quarterly basis the following information to the Legislative Budget Board and the Governor's Office: the outstanding prescription drug rebate balances for the Medicaid, CHIP, Kidney Health, and Children with Special Needs program. The report shall include rebate principal and interest outstanding, age of receivables, and annual collection rates. The report shall specify amounts billed, dollar value of pricing and utilization adjustments and dollars collected. The Commission shall report these data on each year for which the Prescription Drug Rebates program has collected rebates and also on a cumulative basis for all years. ~~In addition, the Commission shall provide no later than August 31, 2006a separate report to the Legislative Budget Board, sate Auditor's Office, and the Governor's Office detailing the outstanding Medicaid prescription drug rebates and interest balances for the period from 1991 through the second quarter of calendar year 1995 in the format specified above.~~ ~~In order to fully comply with this rider, the Commission should address data integrity issues related to the calculation of outstanding balances, cited in the State Auditors Office report number 03-029 *An Audit Report on the Health & Human Services Commission Prescription Drug Rebate Program.*~~ *The ride has been revised to remove language relating to a report to be submitted in August 2006 and the original SAO report reference. The issues identified by the SAO concerning proper input of payments int the Pharmacy Rebate Information Systems have been rectified.*
HHSC 41	II-84	**TANF Grants.** It is the intent of the Legislature that the commission shall adjust the TANF grant amount each year to ensure that the maximum monthly grant for a family of three is at least 17 percent of the federal poverty level and provide a one-time per year grant of up to $30 for each TANF child on August 1 of each year. *This rider needs to be retained. No other revisions are required.*
HHSC 42	II-84	**Texas Integrated Eligibility Redesign System (TIERS).** To fund the debt related to TIERS, the commission ~~department~~ may seek funding from the most cost-effective type of financing including but not limited to cash acquisition, commercial financing, and financing provided by the Texas Public Finance Authority. From any funds appropriated to the Health and Human Services Commission for the purpose of implementing the project, ~~an amount not to exceed $3,521,186 (amount needed for debt service) and~~ an amount not to exceed $8,871,929~~19,170,165~~ (amount needed for Master Lease Purchase Program) for the biennium in all funds may be transferred to the Texas Public Finance Authority for lease payments to the Texas Public Financial Authority to pay debt service on the obligations issued by the Texas Public Finance Authority on behalf of the commission for the above-mentioned project. *This rider has been updated for MLPP amounts in the baseline funding and to reference HHSC. There is no longer debt service.*

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HHSC 43	II-84	**Capital Purchase on Behalf of other Government Entities or Service Providers.** Any capital items purchased by the Health and Human Services Commission (HHSC) for use by local governmental entities or service providers for which the commission is reimbursed do not apply to the commission for the purpose of the capital budget rider limitations specified in Article IX, Limitation on Expenditures-Capital Budget, of the General Provision of this Act, nor to HHSC rider 2, Capital Budget. *This rider is revised to clarify authority for purchases.*
HHSC 44	II-84	**Reimbursement of Advisory Council Members.** Pursuant to Government Code § 531.408, reimbursement of travel expenses for Health and Human Services Commission members, out of funds appropriated above, is hereby authorized such that the sum total of all reimbursements for members of the Council ~~shall not exceed $10,825 per fiscal year~~, a the rates specified in the general provisions of this Act. *This rider is revised to remove the dollar limitation of Advisory Council travel. With increases in mileage reimbursement, airfare, and hotel and lodging reimbursement, dollar limitations are difficult to maintain, especially looking to the 2008-09 biennium. No additional funding is requested to remove the limit.*
HHSC 45	II-85	**Other Reporting Requirements.** a. **Federal Reports.** The Health and Human Services Commission shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government: (1) Notification of proposed State Plan amendments or waivers for Medicaid CHIP, TANF and any other federal grant requiring a state plan. State Plan amendments and waivers submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House public Health Committee. (2) A copy of each report or petition submitted to the federal government relating to Medicaid, CHIP, and TANF. b. **Federal Issues.** The Health and Human Services Commission shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more then $1 million in federal revenue assumed in the appropriations act.

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HHSC 45	II-85	c. **Monthly Financial Reports.** The Health and Human Services Commission shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis: (1) Information on appropriated, budgeted, expended, and projected funds and full time equivalents, by strategy and method of finance. (2) Information on appropriated, budgeted, expended, and projected revenues, including program income, interest earnings, experience rebates, vendor drug rebates, Medicaid subrogation receipts, premium co-payments, earned federal funds, and appropriated receipts used as match for federal funds. (3) Narrative explanations of significant budget adjustments, ongoing budget issues, and other items as appropriate. (4) Narrative and tabular explanation of adjustments made to translate actuarial forecasts of incurred claims into budgeted/expended amounts on a cash basis for the Medicaid program. (5) Any other information requested by the Legislative Budget Board or the Governor. The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board. *This rider has been amended to incorporate required periodic reporting in one provision to address conflicting and confusion duplication in other agency provisions.*
HHSC 46	II-85	**Medicaid Eligibility Determination for Children.** It is the intent of the Legislature that the initial Medicaid certification and subsequent recertifications be determined without a face-to-face interview. The Health and Human Services Commission may develop procedures that require an initial Medicaid certification to be conducted by a personal interview only when it is determined that there are no other reasonable means to verify the information needed to satisfactorily determine initial eligibility. For recertification of Medicaid eligibility, the Health and Human Services Commission nay develop procedures to determine the need a personal interview, based on a system of objective, risk-based factors and conditions. Such procedures shall be intended to focus only on a targeted and limited number of certifications for which there is a high probability that eligibility has not continued. *This rider could be deleted when full integrated Eligibility is fully implemented as a face to face interview is not required. If retained, requested revisions clarify operations.*

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HHSC 47	II-85	**Office for Prevention of Developmental Disabilities.** The Health and Human Services Commission shall expend, from funds otherwise appropriated to the commission by this Act, an amount determined by the Executive Commissioner as necessary ~~not to exceed $100,320 each fiscal year~~ for salaries, benefits, travel expenses, and other support of the Office for Prevention of Developmental Disabilities. *This rider is revised to remove limitations and provide direction for . Revisions are necessary to adjust for salary increase, if retained. The TOPDD has authority to collect donations and contracts, which exceed the rider amount.*
HHSC 48	II-86	**Prohibitions on Abortions.** a. It is the intent of the Legislature that no funds shall be used to pay the direct or indirect costs (including overhead, rent, phones, and utilities) of abortion procedures by contractors of the commission. b. It is also the intent of the legislature that no funds appropriated for Medicaid family Planning, shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures. c. The commission shall include in its financial audit a review of the use of appropriated funds to ensure compliance with this section *This rider could be deleted as the contracted Medicaid claims processor ensures that no funds are available for elective abortion procedures.*
HHSC 49	II-86	**Family Planning.** Of funds appropriated for Medicaid Family Planning, no state funds may be used to dispense prescription drugs to minors without parental consent. *This rider could be retained.*
HHSC 50	II-86	**Medical Treatment.** The Health and Human Services Commission may distribute funds for medical, dental, psychological or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in loss of Federal Funds to the state, the commission ~~department~~ may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that 45-day prior notification is provided to the Governor and the Legislative Budget Board. *This rider could be retained.*

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~~HHSC 51~~	~~II-86~~	~~**Appropriations Reduction for Integrated Eligibility.** Pursuant to the Seventy-eighth Legislature, House Bill 2292, Section 2.06, regarding the implementation of call centers, the appropriations to the Health and Human Services Commission made above for eligibility determination are hereby reduced by $14,471,184 in General Revenue and $16,905,312 in Federal Funds (including $2,238,156 in Temporary Assistance for Needy Families) for fiscal year 2006 and $50,591,837 in General Revenue and $58,951,746 in Federal Funds (including $7,804,838 in Temporary Assistance for Needy Families) for fiscal year 2007 to reflect savings associated with the transition to integrated eligibility determination and the use of call centers.~~ ~~The number of authorized FTE positions for the Health and Human Services Commission is hereby reduced by 829.0 in fiscal year 2006 and 3,980 in fiscal year 2007. FTE reduction may be made incrementally during the fiscal year, and the agency may exceed the appropriated FTE cap for the first two quarters of each year of the biennium. However, the agency shall report on a quarterly basis beginning December 1, 2005 to the Legislative Budget Board and the Governor on the actual and cumulative FTE reductions and savings achieved. The agency shall achieve an overall FTE reduction of 3,472 in fiscal year 2006 and 4,487 in fiscal year 2007. The commission may allocate no more than 7 percent of both the funding and FTE reductions to the Department of Aging and Disability Services for long term care functional eligibility determination.~~ *This rider is deleted as while there have been FTE reductions through attrition related to the implementation of call centers, the funding requested assumes to continuation of the regional rollout at this time.*
HHSC 52	II-86	**Appropriation of Unexpended Balances – Revenue Bonds.** Any unexpended balances of Bond Proceeds-Revenue Bonds for the TIERS project from previous appropriations, estimated to be $0, from fiscal year 200~~6~~7 to fiscal year 200~~7~~8 are hereby appropriated to the Health and Human Services Commission for the same purposes, contingent upon the commission providing to the Legislative Budget Board and the Governor a detailed description of the project and cost at least 45 days prior to the expenditure of such funds. *This rider needs to be retained and has been updated for biennial dates*
~~HHSC 53~~	~~II-87~~	~~**Federal Payment for Drug Coverage for Dual Eligible Recipients.** The amount of funding appropriated above in Strategy B.2.3. Medicare Federal Give Back Provision is made for monthly payments to the federal government, which will begin in January 2006 pursuant to the maintenance of effort requirement in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, for the provision of prescription drugs to clients who are dually eligible for Medicare and Medicaid.~~ *This rider is deleted as payments to the federal government are being made as of May 2006. It expresses intent that is already occurring and is not necessary and was initially included prior to federal regulations clarifying that state's should continue using Medicaid funds to provide certain drugs to dual-eligible persons not covered by Part D.*

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~~HHSC 54~~	~~II-87~~	~~**Collection of Rebates on Physician Administered Prescription Drugs.** The Health and Human Services Commission is required to make necessary changes to the Medicaid Management Information System to collect rebates on single-source and multi-source physician administered drugs. Additional rebates collected on physician administered drugs are appropriated to the Commission for purposes consistent with the use of the Vendor Drug Rebates-Medicaid specified elsewhere in this Act.~~ *This rider is not needed, as the Federal Deficit Reduction Act of 2006 requires the same modifications. Implementation is scheduled for January 1, 2008.*
~~HHSC 55~~	~~II-87~~	~~**Medicaid Quality Initiative Pilot Project.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission is authorized to establish a pilot program in one of the Primary Care Case Management service areas to test implementation of quality initiatives designed to reduce non-emergent use of the emergency room. The pilot program shall include public awareness efforts aimed at educating Medicaid clients about appropriate use of the emergency room and, at a minimum, one of the following: higher reimbursement to primary care providers who extend their routine office hours to include evenings and weekends; contracts with urgent care clinics to provide after-hour care; a case management program targeted to clients who use the emergency room for non-emergent conditions; and additional per member per month quality enhancement fee to primary care providers and/or an administrative entity for the purpose of implanting quality initiatives to reduce non-emergent use of the emergency room; or other option designed to reduce non-emergent use of the emergency room determined by the Commission. The Commission shall submit a work plan by September 1, 2005, to the Legislative Budget Board and the Governor that details the quality initiative (s) to be implemented by the Commission. The Commission shall conduct a study to test the effectiveness of the pilot program at reducing non-emergent use of the emergency room and Medicaid costs and submit a report to the Legislative Budget Board and the Governor by February 1, 2007.~~ *This rider is deleted, as the required report should be submitted this biennium and the pilot should be operational during FY 2007.*
~~HHSC 56~~	~~II-87~~	~~**Analysis of Multi-state Medicaid Drug Purchasing Pool.** Out of funds appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, the Health and Human Services Commission shall conduct an analysis to determine the cost-benefit and feasibility of establishing or joining a multi-state Medicaid drug purchasing pool. Analysis shall include the identification of other states with which pooling of Medicaid drug purchasing provides the greatest opportunity to achieve savings in Texas. The Commission shall report the results of this analysis to the Legislative Budget Board and the Governor not later than January 15, 2006.~~ *This rider is deleted as the study was performed and the report submitted in February 2006. Further analysis will be performed in November 2006 to evaluate impact of the Medicare Modernization Act on the Preferred Drug List.*

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HHSC 57	II-87	**CHIP Enrollment.** In the event that appropriations are insufficient to sustain enrollment at authorized eligibility and benefit levels in CHIP, it is the intent of the legislature that the Executive Commissioner transfer necessary funds to Goal C, CHIP Services, pursuant to the notification and approval requirements contained in other provisions, and request additional appropriations authority from the Legislative Budget Board prior to establishing a waiting list and suspending enrollment pursuant to Health and Safety Code § 62.101. *This rider needs to be retained. No revisions are required.*
~~HHSC 58~~	~~II-87~~	~~**Patient Protection Activities.** Out of amounts appropriated above for the Health and Human Services Commission, there is hereby included one additional FTE to act as an ombudsman in matters relating to health and human services licensing agencies. This FTE shall be associated with the agency's 2-1-1 program.~~ *This rider could be deleted as FTE adjustments were made in 2006-07 base years*
~~HHSC 59~~	~~II-88~~	~~**Ambulance Services.** Out of funds appropriated above, the Health and Human Services Commission shall conduct a study of ambulance service rates in Texas and their equivalent comparable Medicare fee schedules as well as rates paid in other states under Medicaid services. The Commission shall provide a copy of this report to the Legislative Budget Board and the Governor 's Office no later than December 31, 2005.~~ *This rider is deleted as the study was performed and the report submitted in January 2006.*
~~HHSC 60~~	~~II-88~~	~~**Medicaid Provider Reimbursement.** From funds appropriated above, the Health and Human Services Commission shall convene a workgroup to assist the Executive Commissioner in studying and making recommendations for changes in the hospital (both impatient and outpatient services) reimbursement rate methodology. These recommendations shall include cost inflators, rebasing of the rates, and other alternatives, such as waivers that would combine Disproportionate Share Hospital (DSH), Graduate Medical Education (GME) and Upper Payment Limits (UPL) funds. Alternatives could be considered in determine hospital rates would reward efficient providers, critical care providers, rural hospitals and special children's hospitals as well as incentives for hospitals to serve Medicaid clients and control medical costs. Workgroup members shall be composed of agency staff familiar with inpatient hospital rate methodology, external groups and representatives of the various hospital organizations. The Health and Human Services Commission shall prepare a report for consideration by the Eightieth Legislature. The report should contain options and the fiscal impact of the recommended changes to the hospital rate methodology submitted to the Legislative Budget Board and Governor by October 1, 2006.~~ *This rider needs to be deleted, as the required report should be submitted this biennium.*

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~~HHSC 61~~	~~II-88~~	~~**Study Regarding Uncompensated Care.** The Health and Human Services Commission shall conduct a study of the components and assumptions used to calculate Texas hospitals' uncompensated care amounts. The Commission shall provide a report to the 80th Legislature with recommendations for standardizing hospitals' uncompensated care amounts.~~ *This rider needs to be deleted, as the required report should be submitted this biennium.*
HHSC 62	II-88	**Medicaid Reimbursement for Immunizations.** The Health and Human Services Commission in conjunction with the Department of State Health Services is authorized to ~~shall develop and~~ implement a reimbursement fee schedule for its immunization program that compensates providers based on the number of traditional components ~~antigens~~ delivered to the patient. ~~In no event shall the reimbursement for administering immunizations be less than the current program if it were based on an antigen delivered fee schedule. The Commission shall ensure that the change to an antigen-based fee schedule will not require higher overall reimbursement~~. *This rider is amended to reflect implementation of reimbursement changes.*
HHSC 63	II-88	**Medicaid Support and Information Services.** Out of the funds appropriated above in Goal B Medicaid, such funds as are necessary to implement the project are allocated for the Medicaid Help Line authorized under § 531.0213, Government Code. It is the intent of the Legislature that, under the authority of the Commissioner of Health and Human Services, the Health and Human Services Commission shall operate this service for Medicaid recipients enrolled in managed care plans. *This rider could be deleted. The project is statutorily required*
HHSC 64	II-88	**Unexpended Balance Authority ~~for Eligibility Determination Services.~~** Any unexpended balances remaining from appropriations made in any strategy in Goals A, D, and E ~~strategy A.1.2. Integrated Eligibility and Enrollment~~, for fiscal year 200~~6~~8 may be carried over to fiscal year 200~~7~~9. *This rider is updated for biennial dates and needs to be retained. It provides UB authority for the rest of HHSC appropriations to provide flexibility in addressing disasters, changes in federal cost allocation, and addressing other agency priorities.*

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~~HHSC 65~~	~~II-88~~	~~**Additional Generic Subetitution in the Medicaid Program.** Appropriations to the Health and Human Services Commission made above for the Medicaid Vendor Drug program have been reduced by $1,934,841 in General Revenue Funds and $3,026,290 in Federal Funds for fiscal year 2006~~8, ~~and $1,934,841 in General Revenue Funds and $3,026,290 in Federal Funds for fiscal year 2007~~9 ~~to reflect savings from the anticipated adoption of rule changes by the Board of Pharmacy to allow for generic substitution of drugs not evaluated in the Approved Drug Products with Therapeutic Equivalence Evaluations publication.~~ *This rider is deleted, as the Board of Pharmacy modified rules to allow generic substitution for drugs not rated in the Approved Drug Products with Therapeutic Equivalence Evaluations publication. Substitution cannot be mandated and the decision remains with the pharmacist so the savings cannot be mandated*
HHSC 66	II-88	**Payments of August 2007~~8~~9 Payments for Medicaid Managed Care and Children's Health Insurance Program (CHIP).** Funds appropriated above include a reduction of $101.4 million in General Revenue and $258.3~~134.6~~ million in All Funds out of Strategy B.1.4, Children and Medically Needy, for fiscal year 2007~~8~~9 and a reduction of $9.7~~5.9~~ million in General Revenue and $35.4 ~~17.9~~ million in All Funds out of Strategy C.1.1, CHIP, for fiscal year 2007~~8~~9. The Health and Human Services Commission is authorized to defer the August 2007~~8~~9 payments for Medicaid Managed Care and CHIP until September of 2007~~8~~9. *This rider is revised to continue the deferral of the24th payment to Medicaid and CHIP HMOs to the subsequent biennium for funding assumed in the baseline request. The funding associated with this August 2009 deferral is excluded from the agency's LAR.*
HHSC 67	II-89	**Continued Medicaid Coverage of Certain Excluded Medicare Part D Drug Categories.** It is the intent of the Legislature that from funds appropriated above in Strategy B.2.2, Medicaid Vendor Drug Program, the Health and Human Services Commission shall continue to provide Medicaid coverage for certain categories of drug not covered under the federal Medicare Part D program, under Section 1935(d)(2) of the Social Security Act, for full dual eligible clients. This coverage is limited to only those categories of excluded Medicare Part D drugs that continue to be eligible for federal Medicaid matching funds and that are currently covered under the Medicaid Vendor Drug Program (e.g. prescribed over-the-counter medications, barbiturates, and benzodiazepines). *This rider is retained to confirm legislative intent on drug coverage of dual eligibles in cases where there is a lag in coverage from Part D or for drugs not covered under Part D.*

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~~HHSC 68~~	~~II-89~~	**~~Contingent Appropriation for Mental Health Services.~~** ~~Out of the General Revenue amounts appropriated above for Medicaid mental health benefits in Strategy B.1.1, Aged and Disabled, $17,314,248 in fiscal year 2006~~8 ~~and $17,314,248 in fiscal year 2007~~9 ~~is contingent on revenue deposited in General Revenue Dedicated Account 5100, System Benefit Fund, exceeding the Comptroller of Public Accounts' Biennial Revenue Estimate by $11,201,653 for fiscal year 2005, by $10,629,577 for fiscal year 2006~~8 ~~and by $12,797,266 for fiscal year 2007~~9. ~~The contingent appropriation shall be equal to the amounts generated above the Biennial Revenue Estimate for the referenced years, not to exceed $34,628,496 for the biennium.~~ *~~This rider is deleted as Medicaid mental health services have been restored this biennium.~~*
HHSC 69	II-89	**Dual Diagnosis Pilot.** From funds appropriated by this Act, the Health and Human Services Commission is authorized to utilize up to $75,000 per year to provide a grant to a non-profit organization to ~~develop~~ maintain a pilot project directed at enhancing the well being and care of citizens who are dually diagnosed with mental retardation and mental illness. ~~The project will create and design a regional system that ensures a dually diagnosed individual access to a full array of services and support s as needed. This system will include the clinical best practice model for successful outcomes. The system will include input and participation with local MHAs, local MRAs, community health centers, state metal retardation, and mental health facilities within the region, community providers, and advocates. The grantee is expected to actively seek supplemental funding sources to support the project. A report including project status, outcomes and additional funding secured will be submitted to the 80th Legislature.~~ *This rider has been modified for maintaining the pilot.*
~~HHSC 70~~	~~II-89~~	**~~Perinatal and Prenatal Care.~~** ~~From funds appropriated above, the Health and Human Services Commission may expend funds to provide unborn child health benefit coverage under the Texas Title XXI Health Plan.~~ *This provision is deleted, as the perinate initiative cannot be supported in the 2008-09 baseline funding request. There is exceptional item funding associated with this initiative but with the addition of a perinate strategy appropriation, a rider is no longer needed to express the intent of this initiative, if funded.*
HHSC 71	II-89	**~~Women's Health Waiver.~~** ~~Contingent upon enactment of Senate Bill 747 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to a women's health waiver, and out of the funds appropriated above, the Commission shall submit the necessary application for a waiver to the Center for Medicare and Medicaid Services no later than December 31, 2005 for a five-year demonstration project through the medical assistance program under state law to expand access to preventative health and family planning services for adult women, between the ages of 18-64, who are living at or below 185 percent of the federal poverty level. It is the intent of the Legislature that any waiver obtained by the Commission shall not be used to provide abortion services or require appropriations of general revenue that exceed the cost savings to be realized by the waiver in the first two years of implementation and in future biennia.~~ *~~This rider is deleted as it pertains to appropriations during the 2006-07 biennium.~~*

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HHSC 72	II-89	~~**Advanced Practice Nurse and Physician Assistant Reimbursement.** The Health and Human Services Commission shall adopt rules to provide that the Commission shall not pay for any Medicaid service provided by an Advanced Practice Nurse or Physician Assistant unless it is billed under the Advanced Practice Nurse's or Physician Assistant's provider number.~~ *This rider is deleted because rules are complete.*
HHSC 73	II-90	**Upper Payment Limit Reimbursement for Children's Hospitals.** Out of the funds appropriated above, the Health and Human Services Commission shall use the amounts of $12,500,000 in fiscal year 2006~~7~~8 and $12,500,000 in fiscal year 2007~~8~~9 in General Revenue to provide upper payment limit reimbursement to children's hospitals (having a separate provider number). The Health and Human Services Commission shall implement Medicaid upper payment limit reimbursement to cover the actual costs incurred in providing Medicaid inpatient and outpatient services and Graduate Medical Education at children's hospitals. In the event that appropriations are insufficient to cover these Medicaid costs in all children's hospitals, the Health and Human Services Commission shall prioritize this Medicaid upper payment limit reimbursement to reduce the Medicaid losses in any children's hospital with a Medicaid patient load that exceeds 60 percent of the hospital's total inpatient days. *This rider has been revised for biennial dates. No other revisions are required. CMS approval is pending at this time.*
~~HHSC 74~~	~~II-90~~	~~**Contingency for Senate Bill 747.** Contingent upon enactment of Senate Bill 747 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to a women's health waiver, and contingent upon federal approval of the waiver, the Health and Human Services Commission shall transfer $20 million in General Revenue and $30 million in Federal Funds in fiscal year 2007~~9 ~~from Strategy B1.3, Pregnant Women, to Strategy B.1.4, Children and Medically Needy. It is the intent of the Legislature that the agency re-direct savings accrued from implementation of the bill in order to reduce the amount of non-General revenue funding for the provision of Medicaid services to the Medically Needy. These Genera Revenue funds shall be expended as specified in this provision only in the event that the Commission receives a contribution of local matching funds for the Medically Needy program.~~ *This rider is deleted as it pertains to legislation and appropriations during the 2006-07 biennium. The savings from the Women's Health Waiver alone cannot fund the complete restoration of Medically Needy Adults. Local public hospitals have indicated to HHSC that there is no interest in transferring or using local funding to restore this program.*
NEW	NEW	**Appropriation of Local Funds.** All funds received by the Health and Human Services Commission from counties, cities, and from any other local source and all balances from such source as of August 31, 2007, are hereby appropriated for the biennium ending August 31, 2009 for the purpose of carrying out the provisions of this Act. *A version of this rider was previously in the Department of Human Services (DHS Rider 5 during FY 2004-05). It was requested last session as it clarifies authority of the agency to expend collected revenue from other entities. There have been issues with the ability to collect revenue charged for providing data matches and other requests from local providers.*

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HHSC 2	II-73	**Capital Budget.** None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, 1232.103.

	2008	2009
a. Acquisition of Information Resource Technologies		
(1) Compliance with Federal HIPAA (Health Insurance Portability and Accountability Act) Regulations Across HHS Agencies	$ 7,500,004	$ 7,500,004
(2) Infrastructure Maintenance	7,176,753	7,066,753
(3) Texas Integrated Eligibility Redesign System	17,641,870	14,063,710
(4) TIERS Lease Payments to Master Lease Program	5,417,859	3,454,070
(5) Enterprise Information and Asset Management	10,000,000	10,000,000
(6) Enterprise Identity Management	708,200	618,800
(7) Enterprise Security Service Center	1,960,303	881,545
(8) Application Tools	275,635	83,159
(9) Enterprise Telecommunications Enhancements	2,440,800	5,695,200
(10) Enterprise Messaging and Collaboration	3,308,900	3,199,081
(11) Electronic Benefits Transfer Unix Migration	1,600,000	
Total, Acquisition of Information Resource Technologies	$ 58,030,324	$ 52,562,322
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Administrative Buildings on ASH Campus	$ 1,437,396	$ U.B.
Total, Repair or Rehabilitation of Buildings And Facilities	$ 1,437,396	$ U.B.

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		c. Transportation Items		
		(1) Vehicle Replacements	$ 623,758	$
		Total, Transportation Items	$ 623,758	$
		Total Capital Budget	$ 60,091,478	$ 52,562,322
		Method of Financing (Capital Budget):		
		GR Match for Medicaid	$ 7,811,291	$ 7,021,197
		GR MOE for Temporary Assistance for Needy Families	41,954	37,772
		GR Match for CHIP	57,846	61,036
		Tobacco Receipts for CHIP	170,760	173,396
		GR Match for Food Stamp Administration	7,334,767	5,842,561
		GR Certified for Medicaid Match	1,416,721	1,432,747
		General Revenue	15,374,392	12,217,787
		Subtotal, General Revenue Fund	$ 32,207,731	$ 26,786,446
		Federal Funds	25,277,412	22,978,994
		Interagency Contracts	2,421,379	2,609,832
		MR Collections for Patient Support & Maintenance	15,1182	152,893
		MR Appropriated Receipts	7,776	7,864
		MR Medicare Receipts	10,880	11,003
		Appropriated Receipts	15,118	15,290
		Subtotal, Other Funds	$ 2,606,335	$ 2,796,882
		Total, Method of Financing	$ 60,091,478	$ 52,562,322
		The Capital Budget Rider has been revised for capital requested in Exceptional Items #2, 8,12,13,14, and 18. Two of the Enterprise Related Capital project would require redistributing funding across the HHS Enterprise.		

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HHSC 38	II-83	**Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** It is the intent of the Legislature that all general revenue appropriated above TANF maintenance of effort shall be expended within the appropriate fiscal year for that purpose in order to secure the TANF federal block grant for the state. Out of funds appropriated above in Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, $66,786,916 ~~84,842,577~~ in general revenue is appropriated for TANF maintenance of effort for fiscal year 2006~~8~~ and $73,938,740 ~~85,293,745~~ in general revenue is appropriated for TANF maintenance of effort for fiscal year 2007~~9~~. None of the general revenue appropriated for TANF maintenance of effort in Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated. However, general revenue appropriated for TANF maintenance of effort may be transferred to Strategy A.1.2, CSS Eligibility and Issuance Services, subject to the following limitations: a. Declines or shifts in TANF caseloads prevent the Health and Human Services Commission from expending all general revenue appropriated for TANF maintenance of effort in Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, within the appropriate fiscal year; b. The amounts of general revenue transferred from Strategy D.1.1, TANF Grants, shall be expended within Strategy A.1.2, CSS Eligibility and Issuance Services within the appropriate fiscal year; and c. At least 14 days prior to transferring general revenue funds between Strategy D.1.1, TANF Grants and Strategy A.1.2, CSS Eligibility and Issuance Services, the Health and Human Services Commission shall notify the Legislative Budget Board and the Governor. *This rider has been updated for and biennial dates and dollar amounts in the baseline funding and Exceptional Item #2.*

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HHSC 27	II-80	**CHIP: Unexpended Balances and Allocation of Funds.** a. The Health and Human Services Commission is hereby appropriated any unexpended balances remaining as pf August 31, 2005~~6~~7, from the appropriations for the Children's Health insurance Program (estimated to be $0). Balances Appropriated may only be expended in the manner provided for by this section. b. It is the intent of the Legislature that tobacco settlement receipts appropriations made above in Goal C, CHIP Services and Strategy A.1.2 Integrated Eligibility and Enrollment, include $285.3~~187.1~~ million for fiscal year 2006~~7~~8 and $284.8~~239.5~~ million for fiscal year 2007~~8~~9 in tobacco settlement receipts paid to the State pursuant to the Comprehensive Tobacco Settlement and Release. In the event that the State has not received a tobacco settlements payment for fiscal year 2006~~7~~8 and fiscal year 2007~~8~~9 by September 1 each year of the biennium, the Comptroller of Public Accounts is hereby authorized to use general revenue funds as needed for program expenditures for cash flow purposes between the beginning of the fiscal year and the receipt by the state of tobacco settlement payment for the fiscal year. Upon receipt of the tobacco settlement payment, the general revenue fund shall be reimbursed with tobacco settlement receipts for all expenditures made pursuant to this provision. c. Any unexpended balances remaining from appropriations made in Goal C, CHIP Services, for fiscal year 2006~~7~~8 may be carried over to fiscal year 2007~~8~~9. *This rider has been updated for biennial dates and for CHIP tobacco funding associated with baseline request. Any estimated balances in CHIP for the 2006-07 biennium have already been applied to reduce the estimated Medicaid biennial shortfall.*