

GOVERNMENT CODE
CHAPTER 534. LOCALLY BASED MEDICAID AND OTHER RELATED HEALTH CARE
INITIATIVES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 534.001. LEGISLATIVE INTENT.

Text of section effective until September 1, 2011

It is the intent of the legislature that certain local governmental entities collaborate to the extent necessary with other local governmental entities and small business employers to provide or deliver cost-effective health care services to persons eligible to participate in the initiatives established under this chapter.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

Sec. 534.002. DEFINITIONS.

Text of section effective until September 1, 2011

In this chapter:

(1) "Local governmental entity" means:

(A) a hospital district created and established under the authority of Sections 4 through 11, Article IX, Texas Constitution;

(B) a hospital authority created and established under Chapter 262 or 264, Health and Safety Code, that to some extent uses tax or other public revenue to provide health care services to indigent persons;

(C) a hospital owned and operated by a municipality, county, or hospital authority and created under Chapter 262 or 264, Health and Safety Code;

(D) a medical school operated by this state;

(E) a medical school that receives state funds under Section 61.093, Education Code, or a chiropractic school that receives state funds under the General Appropriations Act;

(F) a teaching hospital operated by The University of Texas System;

(G) a county that provides health care services and assistance to indigent residents of the county under Subchapter B, Chapter 61, Health and Safety Code;

(H) a governmental entity that provides funds to a public hospital for the provision of health care services to indigent persons under Section 61.062, Health and Safety Code;

(I) a county with a population of more than 400,000 that provides funds to a public hospital and that is not included in the boundaries of a hospital district;

(J) a hospital owned by a municipality and leased to and operated by a nonprofit hospital for a public purpose, subject to federal approval of matching funds from such an entity;

(K) a health services district created and established under Chapter 287, Health and Safety Code; and

(L) a statewide rural health care system established under Chapter 20C or 845, Insurance Code.

(2) "Managed care organization" means a person who is authorized or otherwise permitted by law to arrange for or provide a managed care plan.

(3) "Managed care plan" means a plan under which a person undertakes to provide, arrange for, pay for, or reimburse any part of the cost of any health care services. A part of the plan must consist of arranging for or providing health care services as distinguished from indemnification against the cost of those services on a prepaid basis through insurance or otherwise. The term includes a primary care case management provider network. The term does not include a plan that indemnifies a person for the cost of health care services through insurance.

(4) "Task force" means the task force on local health care initiatives established under Section 534.101.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

Sec. 534.003. RULES.

Text of section effective until September 1, 2011

(a) The commission shall adopt rules as necessary to implement this chapter.

(b) The commission may require the Texas Department of Human Services or any other health and human services agency to adopt, with the approval of the commission, any rules that may be necessary to implement this chapter.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER B. TASK FORCE

Sec. 534.101. TASK FORCE ON LOCAL HEALTH CARE INITIATIVES.

Text of section effective until September 1, 2011

(a) The commissioner shall establish a task force on local health care initiatives.

(b) The commissioner shall appoint as members of the task force:

(1) 10 representatives of local governmental entities, at least seven of whom must be representatives of local governmental entities located in counties or municipalities with a population of 500,000 or more and one of whom represents the interests of local governmental entities in rural areas;

(2) two representatives of health care providers, including one member who represents the interests of private nonprofit health benefit plans;

(3) one representative of small business owners;

(4) one physician licensed under Subtitle B, Title 3, Occupations Code; and

(5) one public member.

(c) The members of the task force serve staggered two-year terms with as near as possible to half of the members' terms expiring February 1 of each year. The members shall draw lots at the first task force meeting to determine the length of each member's initial term and the members' terms that expire each year.

(d) The commissioner shall designate a member of the task force to serve as presiding officer.

(e) A member of the task force is not entitled to compensation for service on the task force and is not entitled to reimbursement for travel expenses.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

Sec. 534.102. POWERS AND DUTIES.

Text of section effective until September 1, 2011

(a) The task force may, in conjunction with the commission, develop one or both of the demonstration projects authorized under Subchapter C.

(b) The task force shall:

(1) advise the commission on local health care issues and concerns affecting local governmental entities selected to participate in a demonstration project developed under Subchapter C;

(2) assist the commission with the preparation of a report that may be required by Section 534.203;

(3) if one or both of the demonstration projects authorized under Subchapter C are established, identify administrative costs that the commission may incur with regard to the implementation of each of the demonstration projects that is established and develop a mechanism to provide for the reimbursement of those costs by the participating local governmental entities; and

(4) perform any other duty or function prescribed by this chapter or other law.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

Sec. 534.103. MEETINGS.

Text of section effective until September 1, 2011

The task force shall meet at the call of the presiding officer.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER C. DEMONSTRATION PROJECTS TO PROVIDE HEALTH CARE COVERAGE TO LOW-INCOME PARENTS OF CHILDREN RECEIVING MEDICAID

Sec. 534.201. DEMONSTRATION PROJECT TO EXTEND MEDICAID COVERAGE TO CERTAIN LOW-INCOME PARENTS.

Text of section effective until September 1, 2009

(a) The commission and task force may jointly develop a locally based demonstration project to provide medical assistance under the state Medicaid program to an individual who:

(1) is the parent of a child receiving medical assistance under the state Medicaid program;

(2) has a family income that is at or below 100 percent of the federal poverty level;

(3) is not otherwise eligible for medical assistance under the state Medicaid program at the time the individual's eligibility for participation in the demonstration project is determined; and

(4) is not covered by health insurance or another type of health benefit plan other than a health benefit plan administered by or on behalf of a local governmental entity.

(b) If the demonstration project is established, the

commission and task force shall jointly:

(1) develop a health benefit plan operating as an extension of the state Medicaid program and determine the benefits package included in the plan, which may not include all of the Medicaid program benefits;

(2) ensure that the project is financed using money and any other resources made available by participating local governmental entities to the commission for matching purposes to maximize federal money for the state Medicaid program;

(3) ensure that each participating local governmental entity receives money to provide services, through the health benefit plan, to project participants residing in the geographical area served by the entity in an amount that is at least equal to the amount of:

(A) money or other resources that were provided for matching by the entity for purposes of the project; and

(B) any corresponding federal matching money;

(4) provide participating local governmental entities with the option to form, with the assistance of the commission and task force, exclusive provider networks to provide and deliver health care services to project participants using a managed care approach;

(5) design the project in a manner that, to the extent possible, uses a local governmental entity's existing indigent health care delivery system and administrative structure to provide services through the health benefit plan to project participants; and

(6) design the project in a manner that allows, to the extent allowed by federal law or other federal authorization, local governmental entities to make determinations of eligibility and enroll eligible individuals in the project.

(c) A health benefit plan developed under this section may require an individual who participates in the project to make copayments or pay deductible amounts on a sliding scale basis.

(d) Local money described by Subsection (b)(2) includes tax or other revenue spent to provide indigent health care services to project participants before they were eligible to participate in the demonstration project.

(e) The manner in which a local governmental entity makes money available for matching purposes under Subsection (b)(2) may include an option for the entity to be able to certify the amount of money considered available instead of sending the money directly to the state.

(f) A provider network described by Subsection (b)(4) may include a combination of public and private health care providers. A local governmental entity that forms an exclusive provider network under a demonstration project established under this section may include itself as a member of the network.

(g) The commission may not implement a project without the approval of the task force.

(h) A local governmental entity that wants to participate in a project established under this section must obtain approval for that participation from the entity's governing body, except that a hospital district created under Chapter 281, Health and Safety Code, must instead obtain that approval from the commissioners court of the county in which the district is located. A local governmental entity that receives permission to participate shall notify the commission and task force of its intention to participate as soon as possible after September 1, 2003. If a project is implemented, the commission shall select each local governmental entity that makes money available for matching purposes under Subsection (b)(2).

(i) This section expires September 1, 2009.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

Sec. 534.202. DEMONSTRATION PROJECT TO OFFER HEALTH CARE COVERAGE TO CERTAIN LOW-INCOME WORKING PARENTS.

Text of section effective until September 1, 2009

(a) The commission and task force may jointly develop a demonstration project in which local governmental entities partner with employers to offer health benefits coverage to employees who:

(1) are the parents of a child receiving medical assistance under the state Medicaid program or of a child enrolled in the state child health plan program under Chapter 62, Health and Safety Code;

(2) have family incomes that are at or below 200

percent of the federal poverty level; and

(3) are not covered by health insurance or another type of health benefit plan other than a health benefit plan that is administered by or on behalf of a local governmental entity.

(b) The components of a demonstration project developed under this section must include:

(1) the development of a health benefit plan to provide coverage for health care services to project participants that:

(A) requires plan coverage to be purchased using a combination of local, federal, participant, and employer contributions;

(B) provides a benefits package that is similar to benefits packages offered by employer-sponsored health benefit plans but may not cover all of the state Medicaid program benefits; and

(C) to the extent possible eliminates coverage for duplicative or extraordinary services; and

(2) the development of sliding scale premiums for certain project participants, including the manner in which the premium is paid.

(c) If the demonstration project is established, the commission and task force shall jointly:

(1) review similar initiatives in other states;

(2) ensure that the project is:

(A) designed and administered in a manner that qualifies for federal funding; and

(B) financed using a combination of local, federal, and private money; and

(3) provide a participating local governmental entity with the option to contract with a managed care organization to administer the health benefit plan in the geographical area served by the local governmental entity.

(d) In developing a health benefit plan under Subsection (b)(1), the commissioner and task force must include provisions intended to discourage:

(1) employers and other persons from electing to discontinue offering coverage for individuals under employee or other group health benefit plans; and

(2) individuals with access to adequate health benefit plan coverage, other than coverage under the health benefit plan developed under Subsection (b)(1), from electing not to obtain or to discontinue that coverage.

(e) A health benefit plan developed under Subsection (b)(1) is not subject to a law that requires coverage or the offer of coverage of a health care service or benefit.

(f) The commission and task force shall jointly determine the amounts each person described by Subsection (b)(1)(A) must contribute to the total cost of a health benefit plan developed for a demonstration project established under this section, except that the commission may not require a project participant whose income is not greater than 100 percent of the federal poverty level to pay a premium.

(g) Local money described by Subsection (c)(2)(B) includes tax or other revenue spent to provide indigent health care services to project participants before they were eligible to participate in the project and any other resources made available to the commission under this section for federal matching purposes.

(h) The commission may not implement a project without the approval of the task force.

(i) A local governmental entity that wants to participate in a project established under this section must obtain approval for that participation from the entity's governing body, except that a hospital district created under Chapter 281, Health and Safety Code, must instead obtain that approval from the commissioners court of the county in which the district is located. If a project is implemented, the commission and task force shall select each local governmental entity that makes local money described by Subsections (c)(2)(B) and (g) available for the project. The commission shall provide information as requested regarding the project to any local governmental entity that is interested in participating in the project.

(j) At the request of the commissioner, the Texas Department of Insurance shall provide any necessary assistance with the development of the health benefit plan under Subsection (b)(1).

(k) This section expires September 1, 2009.
Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.
Sec. 534.203. REPORTS.

Text of section effective until September 1, 2009

(a) If a demonstration project is established under Section 534.201 or 534.202, the commission, not later than December 1 of each even-numbered year, shall submit a report to the legislature regarding the operation and cost-effectiveness of each project established under those sections.

(b) The report for the demonstration project established under Section 534.202 must include a recommendation regarding the feasibility of expanding the project statewide.

(c) This section expires September 1, 2009.
Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER D. MISCELLANEOUS PROVISIONS

Sec. 534.301. EXPIRATION.

Text of section effective until September 1, 2011

This chapter expires September 1, 2011.

Added by Acts 2003, 78th Leg., ch. 1139, Sec. 1, eff. Sept. 1, 2003.