NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Proposed Legislation to Integrate County Indigent Health Care Program Applications with the State Integrated Benefits Portal

Purpose

To brief the Board of Managers regarding preliminary proposed legislation for the 90th Texas Legislature that would streamline County Indigent Health Care Program (CIHCP) eligibility determination and application procedures through the State's integrated benefits portal, currently known as YourTexasBenefits.com.

Background

The proposed legislation is a preliminary draft for discussion purposes. It addresses the application and eligibility processes used under Chapter 61, Texas Health and Safety Code, for county-administered indigent health care programs and for public hospitals and hospital districts.

The draft is based on the premise that the State's integrated benefits portal already collects substantially the same eligibility information required for CIHCP determinations, including identity, household composition, county of residence, income, assets, and insurance information. It proposes using that existing State process to reduce duplicative applications and documentation while preserving local administration of indigent health care programs.

Integrated Application Pathway

The legislation would designate the integrated benefits portal as an authorized CIHCP application pathway for counties, public hospitals, and hospital districts. Information collected and verified through the portal in connection with a Medicaid application generally would satisfy corresponding CIHCP information and documentation requirements.

The proposed pathway would allow an applicant to proceed through the existing Medicaid application flow and, when appropriate, complete CIHCP-specific consent and supplemental information. It also contemplates allowing an individual to apply directly for CIHCP through the portal without first submitting a Medicaid application when the applicant indicates a prior Medicaid denial or categorical ineligibility.

HHSC Data Sharing

The proposed legislation would authorize the Texas Health and Human Services Commission (HHSC), with applicant consent and subject to applicable confidentiality requirements, to transmit specified eligibility information to the appropriate local program administrator. Information potentially shared would include county of residence, household composition, verified income and resources, Medicaid denial information, and the absence of qualifying health coverage.

Program administrators receiving information would be required to execute a data use agreement with HHSC governing permissible uses, confidentiality safeguards, and data destruction procedures. Shared information could be used only for CIHCP eligibility purposes and would remain subject to applicable privacy protections.

Automatic Referral Following Medicaid Denial

A central feature of the draft is automatic referral of certain Medicaid-denied applicants to the appropriate CIHCP administrator. When an applicant's verified income and resources fall within the statutory CIHCP thresholds and the applicant has consented to data sharing, HHSC would electronically transmit the eligibility information to the applicable county, public hospital, or hospital district.

The Medicaid denial date would serve as the CIHCP application date. The receiving program administrator would be required to notify the applicant that an application had been initiated, request any permitted supplemental documentation, and make an eligibility determination within the timeframes established in the proposed legislation.

Application Routing and Local Administration

The proposed legislation would require HHSC to determine the appropriate program administrator based on the applicant's county of residence and whether the area is served under the county-administered provisions of Chapter 61 or by a public hospital or hospital district.

The draft preserves local administration and eligibility decision-making. Counties, public hospitals, and hospital districts would remain responsible for final CIHCP eligibility determinations while being permitted to rely on eligibility information already collected and verified through the State portal.

Hospital District Provisions

The draft specifically addresses public hospitals and hospital districts under Subchapter C of Chapter 61. A hospital district could use the integrated portal application, documentation, and verification procedures or continue to use a less restrictive local process.

The proposed legislation also adds a provision applicable to hospital districts under Chapter 285. When a hospital district receives portal-verified eligibility data, its obligation to inquire into a patient's financial circumstances for Chapter 61 indigent health care eligibility would be satisfied to the extent the transmitted information covers the relevant income, asset, household, and insurance categories. The district would retain authority to verify residency and to conduct financial inquiries for other purposes authorized by law.

Applicant Consent and Confidentiality

The integrated portal would include a standardized consent authorization explaining the proposed sharing of eligibility information with the applicable local program administrator. Consent would require an affirmative opt-in and could not be inferred merely from completion of the State benefits application.

An applicant could decline consent without affecting eligibility for other HHSC-administered benefit programs and would retain the ability to apply directly with the appropriate CIHCP administrator. HHSC would maintain records of consent authorizations as provided in the draft.

Technology and State Implementation

The legislation would direct HHSC to develop a secure electronic interface connecting the integrated benefits portal with program administrators. The interface would transmit standardized eligibility data, provide notification of incoming applications and referrals, support reporting of eligibility determinations, and comply with applicable data-security requirements.

HHSC would also maintain a statewide mapping identifying the applicable Chapter 61 program administrator for each county so that applications and referrals could be routed appropriately. The portal pathway would be accessible through internet-connected devices and would include a telephone-assisted application option.

Implementation Schedule

The preliminary draft establishes a phased implementation schedule. HHSC would notify program administrators and provide technical assistance by October 1, 2027; complete statewide service-area mapping by January 1, 2028; and adopt implementing rules by March 1, 2028.

Development and deployment of the CIHCP portal intake pathway and associated data-use arrangements would be completed by September 1, 2028. The proposed Act would take effect September 1, 2028.

Fiscal and Administrative Considerations

The proposed legislation does not itself make an appropriation. To the extent State expenditures are necessary, the draft directs HHSC to seek implementation through specifically appropriated funds, existing appropriations, available federal matching funds, or eligible grants.

For local program administrators, the proposal is intended to reduce duplicative collection and verification of eligibility information and establish a more direct pathway between Medicaid denial and local indigent health care enrollment. Implementation would nevertheless require data use agreements, local coordination with HHSC, appropriate information-security practices, and operational integration with local eligibility processes.

Potential Effect on the District

For the District, the proposed framework could provide an additional application pathway for its indigent health care program and permit reliance on eligibility information already collected and verified through YourTexasBenefits.com. It could also result in automatic referrals of Medicaid-denied Nueces County residents who meet the applicable statutory income and resource criteria.

The legislation would not transfer final eligibility authority to HHSC. The District would continue to administer its program and make eligibility determinations while potentially using State-verified information to reduce duplicative applicant documentation and financial inquiry requirements.

Board Consideration

The Board is being asked to receive and discuss the preliminary proposed legislation and its potential implications for the District's indigent health care enrollment and eligibility processes. The draft provides a legislative framework for integrating State benefits information with locally administered Chapter 61 programs while retaining local program administration.

Summary

The preliminary legislation would expand YourTexasBenefits.com to serve as an authorized CIHCP application and referral pathway for counties, public hospitals, and hospital districts. It would authorize consent-based eligibility data sharing, establish automatic referral following certain Medicaid denials, create standardized State-local data interfaces and routing procedures, and permit hospital districts to rely on portal-verified financial information for Chapter 61 eligibility purposes. The proposal is structured for implementation during 2027 and 2028, with an effective date of September 1, 2028.