90th LEGISLATURE — REGULAR SESSION

PROPOSED LEGISLATION

AN ACT

relating to streamlining eligibility determination and application procedures for the County Indigent Health Care Program through the state integrated benefits portal for counties, hospital districts, and public hospitals, and authorizing the Health and Human Services Commission to share eligibility data with program administrators.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

LEGISLATIVE FINDINGS AND PURPOSE

The Legislature finds that:

(1) The County Indigent Health Care Program (CIHCP) serves the most economically vulnerable Texans — those with net household incomes at or below 21 percent of the federal poverty level who are ineligible for Medicaid and have no other source of health coverage;

(2) Chapter 61, Health and Safety Code, creates two parallel delivery structures for indigent health care: Subchapter B, which imposes obligations on counties for residents not served by a public hospital or hospital district; and Subchapter C, which governs health care for residents in the service area of a public hospital or hospital district. Both structures serve the same population of indigent Texans and collect equivalent eligibility information from applicants;

(3) The state-administered YourTexasBenefits.com portal collects substantially the same eligibility information required for CIHCP determination — including identity, household composition, county of residence, income, and assets — from applicants for Medicaid, SNAP, TANF, and CHIP;

(4) A person who applies for Medicaid through YourTexasBenefits.com and receives a denial has already provided, under oath, the information necessary to establish CIHCP eligibility under either Subchapter B or Subchapter C of Chapter 61;

(5) Requiring an indigent resident to separately locate and complete a distinct county, hospital district, or public hospital application constitutes an unreasonable duplication of burden that defeats the purpose of the state's integrated eligibility mandate under Texas Government Code Chapter 531;

(6) The purpose of this Act is to authorize HHSC to extend the YourTexasBenefits.com integrated eligibility portal to include CIHCP intake for counties, hospital districts, and public hospitals; permit the sharing of eligibility data with all program administrators; and require automatic referral of income-eligible Medicaid applicants to the appropriate CIHCP administrator upon denial, thereby reducing administrative burden while preserving local program administration.

ARTICLE 1. AMENDMENTS TO TEXAS HEALTH AND SAFETY CODE, CHAPTER 61

SECTION 1.01. Amendment of Section 61.002, Health and Safety Code

Section 61.002, Health and Safety Code, is amended by adding Subdivision (5) to read as follows:

(5) "Program administrator" means a county administering indigent health care under Subchapter B, or a public hospital or hospital district administering indigent health care under Subchapter C, as applicable to the service area in which an eligible resident resides.

SECTION 1.02. Amendment of Section 61.006, Health and Safety Code

Section 61.006, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) The executive commissioner shall by rule designate the integrated benefits portal operated by the commission under Section 531.0055, Government Code — currently known as YourTexasBenefits.com — as an authorized application pathway for the County Indigent Health Care Program for all program administrators under this chapter, including counties under Subchapter B and public hospitals and hospital districts under Subchapter C. Rules adopted under this subsection shall:

(1) specify the elements of a completed YourTexasBenefits.com application that satisfy the documentation and verification requirements of this chapter for income, household composition, county of residence, identity, assets, and insurance coverage;

(2) designate a Medicaid denial issued through the integrated benefits portal as satisfying the requirement that an applicant establish ineligibility for Medicaid as a condition of eligibility under this chapter;

(3) require that the YourTexasBenefits.com application include, upon submission, a consent authorization permitting the commission to transmit the applicant's eligibility information to the appropriate program administrator in accordance with Section 61.0046; and

(4) ensure that the application pathway is accessible through both internet-connected devices and a state telephone hotline staffed by commission personnel capable of completing an application on behalf of a caller.

SECTION 1.03. Amendment of Section 61.007, Health and Safety Code

Section 61.007, Health and Safety Code, is amended to read as follows:

Sec. 61.007. INFORMATION PROVIDED BY APPLICANT. (a) The executive commissioner by rule shall require each applicant to provide at least the following information:

(1) the applicant's full name and address;

(2) the applicant's social security number, if available;

(3) the number of persons in the applicant's household, excluding persons receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits;

(4) the applicant's county of residence;

(5) the existence of insurance coverage or other hospital or health care benefits for which the applicant is eligible;

(6) any transfer of title to real property that the applicant has made in the preceding 24 months;

(7) the applicant's annual household income, excluding the income of any household member receiving Temporary Assistance for Needy Families, Supplemental Security Income, or Medicaid benefits; and

(8) the amount of the applicant's liquid assets and the equity value of the applicant's car and real property.

(b) If an applicant submits a CIHCP application through the integrated benefits portal designated under Section 61.006(c), information collected through that portal in connection with the applicant's Medicaid application shall be deemed to satisfy the requirements of Subsection (a) of this section to the extent such information was collected and verified. The program administrator may request supplemental documentation only to verify the applicant's county of residence or service area if the information provided through the portal is insufficient for that purpose.

SECTION 1.04. Addition of Section 61.0046, Health and Safety Code

Chapter 61, Health and Safety Code, is amended by adding Section 61.0046 to read as follows:

Sec. 61.0046. COMMISSION DATA SHARING WITH PROGRAM ADMINISTRATORS.

(a) In this section, "program administrator" has the meaning assigned by Section 61.002.

(b) Notwithstanding any other provision of this chapter, and subject to applicable federal law including 42 U.S.C. § 1396a(a)(7) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the commission is authorized to share with the appropriate program administrator the following eligibility information collected through the integrated benefits portal, provided the applicant has consented under Section 61.006(c)(3):

(1) the applicant's full name and county of residence;

(2) household size and composition as collected;

(3) household income as verified;

(4) liquid assets and resource values as verified;

(5) the fact of a Medicaid denial and the stated basis for that denial; and

(6) absence of qualifying insurance or other health coverage.

(c) The commission shall determine the appropriate program administrator by reference to the applicant's county of residence and whether that county is served by a public hospital or hospital district under Subchapter C or is a county-administered area under Subchapter B. If an applicant's county of residence is served by both a county CIHCP program and a public hospital or hospital district operating under Subchapter C, the commission shall transmit information to the entity with primary service area responsibility under this chapter.

(d) Information shared under this section:

(1) is subject to the same confidentiality protections that apply to eligibility information under Medicaid program rules and HIPAA;

(2) may be used by the program administrator only for the purpose of determining the applicant's eligibility under this chapter; and

(3) may not be further disclosed by the program administrator to any person or entity except as authorized by this chapter or other applicable law.

(e) Each program administrator that receives information under this section must execute a data use agreement with the commission that specifies:

(1) the permissible uses of the data;

(2) the safeguards required to protect confidentiality; and

(3) the procedures for destruction of data when no longer required for eligibility purposes.

(f) The commission shall develop a standard form data use agreement for use under Subsection (e). A program administrator that is party to a qualifying data use agreement under this section shall be deemed to satisfy applicable documentation requirements for the purpose of receiving state assistance funds under Subchapter B of this chapter or discharging obligations under Subchapter C of this chapter.

SECTION 1.05. Addition of Section 61.0047, Health and Safety Code

Chapter 61, Health and Safety Code, is amended by adding Section 61.0047 to read as follows:

Sec. 61.0047. AUTOMATIC REFERRAL TO PROGRAM ADMINISTRATOR UPON MEDICAID DENIAL.

(a) In this section, "program administrator" has the meaning assigned by Section 61.002.

(b) If a person applying for Medicaid through the integrated benefits portal designated under Section 61.006(c) is denied Medicaid and:

(1) the applicant's verified household income does not exceed 21 percent of the federal poverty level as established under Section 61.006(b); and

(2) the applicant's verified household resources do not exceed the resource limits established by the executive commissioner under Section 61.008;

then the commission shall, with the applicant's consent provided under Section 61.006(c)(3), electronically transmit the applicant's eligibility information to the appropriate program administrator for the applicant's county of residence not later than the third business day after the date the Medicaid denial is issued.

(c) The commission shall determine the appropriate program administrator under Subsection (b) as follows:

(1) if the applicant resides in the service area of a public hospital or hospital district operating under Subchapter C, the commission shall transmit the referral to that public hospital or hospital district; or

(2) if the applicant does not reside in the service area of a public hospital or hospital district, the commission shall transmit the referral to the county CIHCP administrator for the applicant's county of residence under Subchapter B.

(d) Transmission under Subsection (b) constitutes an application for purposes of Section 61.024 (for counties) or Section 61.053 (for public hospitals and hospital districts). The date of the Medicaid denial through the integrated benefits portal shall serve as the date of the CIHCP application for purposes of computing any applicable deadlines.

(e) Upon receiving a referral under this section, the program administrator shall:

(1) notify the applicant in writing or by electronic communication not later than the fifth business day after receiving the referral that a CIHCP application has been initiated on the applicant's behalf;

(2) request any supplemental documentation required under Section 61.007(b) not later than that same notification; and

(3) make a determination of eligibility not later than 14 business days after the date the referral is received or, if supplemental documentation is requested, not later than 14 business days after the date that documentation is received.

(f) If an applicant declines to provide consent under Section 61.006(c)(3), the commission shall inform the applicant of the option to apply directly with the applicable program administrator and shall provide the applicant with the contact information for that administrator.

(g) An applicant referred under this section retains the right to apply directly to the program administrator and to appeal an adverse eligibility determination under applicable program rules.

SECTION 1.06. Amendment of Section 61.024, Health and Safety Code (Subchapter B — Counties)

Section 61.024, Health and Safety Code, is amended by amending Subsections (b) and (d) and adding Subsection (g) to read as follows:

(b) The county may use the application, documentation, and verification procedures established by the department under Sections 61.006 and 61.007, the integrated benefits portal pathway designated under Section 61.006(c), or may use a less restrictive application, documentation, or verification procedure.

(d) The county shall furnish an applicant with written application forms and shall prominently post information about the integrated benefits portal pathway on any county website and in county offices where CIHCP services or applications are available.

(g) A county that elects to accept applications through the integrated benefits portal pathway designated under Section 61.006(c) shall notify the commission of that election not later than the 30th day before the beginning of the state fiscal year in which the county intends to use that pathway. The election shall remain in effect for subsequent fiscal years unless the county provides notice of withdrawal on the same timeline. A county that has not affirmatively elected the portal pathway may still receive automatic referrals under Section 61.0047, provided the county has executed a data use agreement under Section 61.0046(e).

SECTION 1.07. Amendment of Section 61.053, Health and Safety Code (Subchapter C — Public Hospitals and Hospital Districts)

Section 61.053, Health and Safety Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d) A public hospital or hospital district may use the application, documentation, and verification procedures established by the executive commissioner under Sections 61.006 and 61.007, the integrated benefits portal pathway designated under Section 61.006(c), or may use a less restrictive application, documentation, or verification procedure.

(e) A public hospital or hospital district shall prominently post information about the integrated benefits portal pathway on any entity website and in locations where CIHCP services or applications are available to the public.

(f) A public hospital or hospital district that elects to accept applications through the integrated benefits portal pathway designated under Section 61.006(c) shall notify the commission of that election not later than the 30th day before the beginning of the entity's fiscal year in which it intends to use that pathway. The election shall remain in effect for subsequent fiscal years unless the entity provides notice of withdrawal on the same timeline. A public hospital or hospital district that has not affirmatively elected the portal pathway

may still receive automatic referrals under Section 61.0047, provided the entity has executed a data use agreement under Section 61.0046(e).

ARTICLE 2. AMENDMENTS TO TEXAS GOVERNMENT CODE, CHAPTER 531

SECTION 2.01. Amendment of Section 531.002, Government Code

Section 531.002(b), Government Code, is amended to read as follows:

(b) The commission is the state agency with primary responsibility for ensuring the delivery of state health and human services in a manner that:

(1) uses an integrated system to determine client eligibility, including eligibility for programs administered by counties, public hospitals, and hospital districts under Chapter 61, Health and Safety Code;

(2) maximizes the use of federal, state, and local funds; and

(3) emphasizes coordination, flexibility, and decision-making at the local level.

SECTION 2.02. Addition of Section 531.0255, Government Code

Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0255 to read as follows:

Sec. 531.0255. INTEGRATED BENEFITS PORTAL — COUNTY INDIGENT HEALTH CARE PROGRAM.

(a) In this section:

(1) "CIHCP" means the County Indigent Health Care Program established under Chapter 61, Health and Safety Code.

(2) "Integrated benefits portal" means the electronic system operated by the commission, currently known as YourTexasBenefits.com, through which residents of this state may apply for benefits under programs administered by the commission.

(3) "Program administrator" has the meaning assigned by Section 61.002, Health and Safety Code, and includes counties administering indigent health care under Subchapter B of Chapter 61 and public hospitals and hospital districts administering indigent health care under Subchapter C of Chapter 61.

(b) The commission shall expand the integrated benefits portal to include a CIHCP intake pathway. The pathway shall:

(1) be integrated into the existing application flow so that a person applying for Medicaid who appears income-eligible for CIHCP is automatically prompted to provide CIHCP-specific consent and complete any supplemental information required under Section 61.007, Health and Safety Code;

(2) allow an applicant to apply for CIHCP directly, without first applying for Medicaid, if the applicant affirmatively indicates they have previously been denied Medicaid or believe themselves to be categorically ineligible;

(3) identify, based on the applicant's county of residence, whether the applicant falls within the service area of a county program (Subchapter B) or a public hospital or hospital district (Subchapter C), and route the application accordingly;

(4) generate an electronic record of application that satisfies the requirements of Section 61.024 (for counties) or Section 61.053 (for public hospitals and hospital districts), Health and Safety Code, including notation of the date of application;

(5) automatically route completed CIHCP intake information to the commission's data sharing system for transmission to the appropriate program administrator under Section 61.0046, Health and Safety Code; and

(6) be accessible in English and Spanish and in additional languages as determined by the commission to reflect the languages spoken by significant portions of the CIHCP-eligible population.

(c) The commission shall develop and maintain a secure electronic data interface between the integrated benefits portal and all program administrators. The interface shall:

(1) transmit eligibility data authorized under Section 61.0046, Health and Safety Code, in a standardized electronic format compatible with program administrator case management systems;

(2) provide program administrators with real-time or near-real-time notification of incoming referrals and applications;

(3) include a tracking mechanism allowing program administrators to report eligibility determinations back to the commission for purposes of program monitoring and reporting under Section 61.041, Health and Safety Code; and

(4) comply with all applicable state and federal data security standards, including those established under HIPAA and applicable provisions of Title 1, Texas Administrative Code.

(d) The commission shall maintain and make publicly available a mapping of each Texas county indicating whether residents in that county are served under Subchapter B or Subchapter C of Chapter 61, Health and Safety Code, and identifying the applicable program administrator. The mapping shall be integrated into the portal to facilitate accurate routing of applications and referrals.

(e) Not later than September 1, 2028, the commission shall:

(1) complete development and deployment of the CIHCP intake pathway on the integrated benefits portal;

(2) execute data use agreements with all program administrators subject to automatic referral under Section 61.0047, Health and Safety Code; and

(3) submit a report to the legislature on the implementation status, the number and type of program administrators participating, and any legal or technical barriers identified.

(f) The commission may enter into interagency contracts, data sharing agreements, and memoranda of understanding with program administrators as necessary to implement this section. Program administrators shall not be required to pay a fee to the commission for access to the data interface established under this section.

SECTION 2.03. Addition of Section 531.0256, Government Code

Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0256 to read as follows:

Sec. 531.0256. CONSENT AUTHORIZATION FOR CIHCP DATA SHARING.

(a) The commission shall incorporate into the integrated benefits portal application a standardized consent authorization for CIHCP data sharing. The authorization shall:

(1) inform the applicant in plain language that:

(A) the information provided in the application may be shared with the program administrator for the applicant's county of residence — which may be a county CIHCP office, a public hospital, or a hospital district, depending on where the applicant resides — for the purpose of determining CIHCP eligibility;

(B) if the applicant's Medicaid application is denied and the applicant's income and resources appear to fall within CIHCP eligibility thresholds, the commission will transmit the application information to the appropriate program administrator unless the applicant declines consent;

(C) the program administrator is bound by confidentiality requirements at least as protective as those applicable to the commission; and

(D) the applicant may decline consent and still apply directly to the applicable program administrator;

(2) require an affirmative opt-in by the applicant — consent shall not be inferred from completion of the application; and

(3) remain effective for the duration of the eligibility determination and any related appeals, and shall be renewed upon application for renewal of CIHCP benefits.

(b) The commission shall maintain a record of each consent authorization provided under this section for a period of not less than five years from the date the authorization is given.

(c) A person's consent or refusal to consent under this section shall not be used as a factor in determining eligibility for any benefit program administered by the commission.

ARTICLE 3. IMPLEMENTATION PROVISIONS

SECTION 3.01. Rulemaking Deadline

Not later than March 1, 2028, the executive commissioner of the Health and Human Services Commission shall adopt rules necessary to implement the changes made by this Act, including:

(1) rules designating the integrated benefits portal as an authorized application pathway under Section 61.006(c), Health and Safety Code, as added by this Act, applicable to all program administrators under Chapter 61;

(2) rules specifying what portal-collected information satisfies Sections 61.007 and the parallel requirements under Subchapter C, Health and Safety Code, as amended by this Act;

(3) a standard form data use agreement for use by all program administrators under Section 61.0046, Health and Safety Code, as added by this Act;

(4) technical specifications for the data interface and county-to-Subchapter mapping required under Section 531.0255, Government Code, as added by this Act; and

(5) the standardized consent authorization required under Section 531.0256, Government Code, as added by this Act.

SECTION 3.02. Program Administrator Notification

Not later than October 1, 2027, the Health and Human Services Commission shall:

(1) notify all program administrators — including county CIHCP administrators, public hospitals, and hospital districts — of the provisions of this Act and the timeline for implementation;

(2) provide technical assistance to all program administrators in preparing for integration with the data interface; and

(3) make available a model data use agreement for program administrators to review before the rulemaking required by Section 3.01 of this Act is complete.

SECTION 3.03. Service Area Mapping

Not later than January 1, 2028, the Health and Human Services Commission shall complete and publish a statewide mapping identifying, for each Texas county, whether residents are served under Subchapter B or Subchapter C of Chapter 61, Health and Safety Code, and identifying the applicable program administrator. The commission shall

update this mapping annually and whenever a change in hospital district boundaries, public hospital status, or county CIHCP administration occurs.

SECTION 3.04. Federal Law Compliance

To the extent any provision of this Act requires a waiver or approval from a federal agency in order to be implemented, the Health and Human Services Commission shall apply for the waiver or approval not later than January 1, 2028, and shall notify the legislature of any denial or delay in granting such approval.

SECTION 3.05. Appropriation Authority

This Act does not make an appropriation. A provision of this Act that requires an expenditure from the state treasury does not take effect unless the legislature appropriates money specifically for that purpose. To the extent funding is necessary for implementation, the commission shall seek to utilize existing appropriations, federal matching funds under Medicaid administrative authorities, or grants available for health information technology and safety net coordination.

SECTION 3.06. Severability

If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 3.07. Effective Date

This Act takes effect September 1, 2028.

ARTICLE 4. AMENDMENT TO TEXAS HEALTH AND SAFETY CODE, CHAPTER 285

SECTION 4.01. Addition of Section 285.092, Health and Safety Code

Subchapter H, Chapter 285, Health and Safety Code, is amended by adding Section 285.092 to read as follows:

Sec. 285.092. SATISFACTION OF PATIENT FINANCIAL INQUIRY REQUIREMENT THROUGH INTEGRATED BENEFITS PORTAL DATA.

(a) This section applies to a hospital district created under general or special law, including a hospital district created under Chapter 281, 282, 283, or 286 of this code.

(b) In this section:

(1) "Integrated benefits portal" has the meaning assigned by Section 531.0255, Government Code.

(2) "Portal-verified eligibility data" means income, asset, household composition, and insurance coverage information collected and verified through the integrated benefits portal in connection with an applicant's Medicaid application and transmitted to a hospital district under Section 61.0046, Health and Safety Code.

(c) If a hospital district receives portal-verified eligibility data for a patient under Section 61.0046, Health and Safety Code, the hospital district's obligation to inquire into the patient's financial circumstances for purposes of determining eligibility for indigent health care under Chapter 61, Health and Safety Code — including any inquiry required by the statute creating the district — is satisfied to the extent that the transmitted data covers the relevant categories of income, assets, household composition, and insurance coverage. The hospital district is not required to conduct an independent financial inquiry as to those categories for CIHCP eligibility purposes.

(d) This section does not limit the authority of a hospital district to:

(1) conduct a financial inquiry for the purpose of determining a patient's ability to pay for services not covered under Chapter 61, Health and Safety Code;

(2) seek reimbursement from a patient or the patient's legally responsible relatives for the cost of care in accordance with applicable law; or

(3) request supplemental documentation from a patient solely to verify the patient's residency within the district's service area, if the portal-verified eligibility data is insufficient for that purpose.

(e) A hospital district that relies on portal-verified eligibility data under this section shall retain a record of that data as part of the patient's eligibility file in accordance with the data use agreement executed under Section 61.0046(e), Health and Safety Code, and applicable records retention requirements.

BILL SECTION REFERENCE TABLE

The following table summarizes each section of this Act, the existing statutory provision affected, and the policy purpose served.

Section	Provision	Summary	Applies To
1.01	H&S Code §61.002(5) [NEW]	Adds "program administrator" definition covering counties (Sub. B) and public hospitals/hospital districts (Sub. C)	All administrators
1.02	H&S Code §61.006(c) [NEW]	Designates YourTexasBenefits.com as authorized portal pathway for all program administrators; rulemaking required	All administrators
1.03	H&S Code §61.007 [AMENDED]	Portal-collected data satisfies application information requirements; limits supplemental documentation requests	All administrators
1.04	H&S Code §61.0046 [NEW]	Authorizes HHSC data sharing with all program administrators; routing logic for Sub. B vs Sub. C; data use agreement requirement	All administrators
1.05	H&S Code §61.0047 [NEW]	Auto-referral trigger upon Medicaid denial; routes to county (Sub. B) or public hospital/hospital district (Sub. C); denial date = application date	All administrators
1.06	H&S Code §61.024 [AMENDED]	Adds portal pathway as option for county CIHCP programs; county notification duty; Sub. B election and referral opt-in	Counties (Sub. B)
1.07	H&S Code §61.053 [AMENDED]	Parallel to §61.024: adds portal pathway for public hospitals and hospital districts; notification duty; Sub. C election and referral opt-in	Public hospitals & hospital districts (Sub. C)
2.01	Gov't Code §531.002(b) [AMENDED]	Expands HHSC integrated eligibility mandate to include county, public hospital, and hospital district CIHCP programs	Foundational authority
2.02	Gov't Code §531.0255 [NEW]	Requires portal CIHCP pathway; Sub. B / Sub. C routing logic; statewide county-to-administrator mapping; interface for all program administrator types; Sept. 1, 2028 deadline	All administrators
2.03	Gov't Code §531.0256 [NEW]	Standardized consent for all program administrator types; opt-in required; consent neutral to benefit eligibility	All administrators
3.01–3.07	Implementation Provisions	Rulemaking; program administrator notification (all types); service area mapping; federal compliance; appropriation authority; severability; effective date	All administrators
4.01	H&S Code §285.092 [NEW]	Adds §285.092 to Chapter 285 (Special Provisions — all hospital district types): portal-verified eligibility data satisfies financial inquiry requirement for CIHCP eligibility; preserves cost recovery and residency verification authority	All hospital districts (Chs. 281, 282, 283, 286)

— END OF PROPOSED LEGISLATION —