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AN ACT

relating to the establishment of a method to integrate benefits issuance and recipient identification for health and human services programs.

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

SECTION 1. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.080 to read as follows:

Sec. 531.080. INTEGRATED BENEFITS ISSUANCE. (a) The commission may develop and implement a method to consolidate, to the extent possible, recipient identification and benefits issuance for the commission and health and human services agencies if the commission determines that the implementation would be feasible and cost-effective.

(b) The method may:

(1) provide for the use of a single integrated benefits issuance card or multiple cards capable of integrating benefits issuance or other program functions;

(2) incorporate a fingerprint image identifier to enable personal identity verification at a point of service and reduce fraud as permitted by Section 531.1063;

(3) enable immediate electronic verification of recipient eligibility; and

(4) replace multiple forms, cards, or other methods used for fraud reduction or provision of health and human services

1 benefits, including:

2 (A) electronic benefits transfer cards; and

3 (B) smart cards used in the Medicaid program.

4 (c) In developing and implementing the method, the
5 commission shall:

6 (1) to the extent possible, use industry-standard
7 communication, messaging, and electronic benefits transfer
8 protocols;

9 (2) ensure that all identifying and descriptive
10 information of recipients of each health and human services program
11 included in the method can only be accessed by providers or other
12 entities participating in the particular program;

13 (3) ensure that a provider or other entity
14 participating in a health and human services program included in
15 the method cannot identify whether a recipient of the program is
16 receiving benefits under another program included in the method;
17 and

18 (4) ensure that the storage and communication of all
19 identifying and descriptive information included in the method
20 complies with existing federal and state privacy laws governing
21 individually identifiable information for recipients of public
22 benefits programs.

23 SECTION 2. (a) Not later than January 1, 2006, the Health
24 and Human Services Commission shall assess the feasibility and
25 cost-effectiveness of using a single integrated benefits issuance
26 card, multiple cards, or another method for consolidating recipient
27 identification and benefits issuance for various health and human

1 services programs, including:

2 (1) the financial assistance program under Chapter 31,
3 Human Resources Code;

4 (2) the medical assistance program under Chapter 32,
5 Human Resources Code;

6 (3) the nutritional assistance programs under Chapter
7 33, Human Resources Code; and

8 (4) the special supplemental nutrition program for
9 women, infants, and children authorized by 42 U.S.C. Section 1786.

10 (b) In conducting the assessment, the Health and Human
11 Services Commission may consider information obtained from:

12 (1) the Medicaid fraud reduction pilot program
13 required by Section 531.1063, Government Code;

14 (2) the Texas Integrated Enrollment Services
15 eligibility determination system; and

16 (3) the state's electronic benefits transfer system.

17 (c) The Health and Human Services Commission may require any
18 health and human services agency and the Department of Information
19 Resources to assist the commission in performing its duties under
20 this section.

21 SECTION 3. Not later than July 1, 2006, the Health and Human
22 Services Commission shall report the findings of the assessment
23 required by Section 2 of this Act to the clerks of the standing
24 committees of the senate and house of representatives having
25 jurisdiction over health and human services issues.

26 SECTION 4. If before implementing any provision of this Act
27 a state agency determines that a waiver or authorization from a

1 federal agency is necessary for implementation of that provision,
2 the agency affected by the provision shall request the waiver or
3 authorization and may delay implementing that provision until the
4 waiver or authorization is granted.

5 SECTION 5. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2005.

David Dewhurst

President of the Senate

Tom Carlin

Speaker of the House

I hereby certify that S.B. No. 46 passed the Senate on April 4, 2005, by the following vote: Yeas 27, Nays 4. _____

Letsy Gau

Secretary of the Senate

I hereby certify that S.B. No. 46 passed the House on May 17, 2005, by the following vote: Yeas 139, Nays 0, two present not voting. _____

Robert Haney

Chief Clerk of the House

Approved:

17 JUNE '05

Date

RICK PERRY

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:20 AM O'CLOCK

ROGER WILLIAMS
JUN 17 2005
Secretary of State