

BILL ANALYSIS

C.S.H.B. 3185
By: Raney
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerned parties note that rural areas lacking adequate access to health care services are often under stress as a result of financial burdens caused by the high-cost, low-revenue environment created by indigent care programs, high administrative costs, and meager Medicaid payments. The parties contend that this situation could be improved by providing a mechanism by which such areas could collect revenue to help cover health care costs. C.S.H.B. 3185 seeks to provide such a mechanism.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3185 amends the Health and Safety Code to set out provisions relating to county health care provider participation programs applicable to a county that is not served by a hospital district or a public hospital and has a population of less than 200,000 and contains two municipalities both with populations of 75,000 or more. The bill establishes that such a program authorizes a county to collect a mandatory payment from each institutional health care provider located in the county to be deposited in a local provider participation fund established by the county and authorizes money in the fund to be used by the county to fund certain intergovernmental transfers and indigent care programs. The bill authorizes a county commissioners court to adopt an order authorizing a county to participate in the program, subject to certain limitations. The bill defines an "institutional health care provider" as a nonpublic hospital that provides inpatient hospital services.

C.S.H.B. 3185 authorizes a commissioners court to require a mandatory payment by an institutional health care provider in the county only in the manner provided by the bill's provisions, requires an affirmative vote of a majority of the members of the commissioners court for the county's authorization to collect that payment, and authorizes the commissioners court that has voted to require a mandatory payment to adopt related administrative rules.

C.S.H.B. 3185 requires a commissioners court that collects a mandatory payment to require each institutional health care provider to submit to the county a copy of any applicable financial and utilization data required by and reported to the Department of State Health Services under certain specified statutory provisions and any related rules adopted by the executive commissioner of the Health and Human Services Commission (HHSC). The bill authorizes the commissioners court

to inspect an institutional health care provider's records to the extent necessary to ensure compliance with those requirements.

C.S.H.B. 3185 requires the commissioners court to hold an annual public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year and how the revenue derived from those payments is to be spent. The bill provides for notice of the hearing and entitles a representative of a paying hospital to be heard at the hearing regarding any matter related to the mandatory payments. The bill requires the commissioners court to designate by resolution one or more banks located in the county as the depository for the mandatory payments and specifies that such a bank serves for two years or until a successor is designated. The bill requires the deposit of all of the county's income derived from mandatory payments with that depository in the county's local provider participation fund, provides for withdrawals from the fund, and requires such funds to be secured in the manner provided for securing county funds.

C.S.H.B. 3185 requires each county that collects a mandatory payment to create a local provider participation fund that consists of all county revenue attributable to mandatory payments, money received from HHSC as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment, and the earnings of the fund. The bill restricts the authorized uses of money deposited to the fund to funding intergovernmental transfers from the county to the state to provide the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program federal waiver, or a successor waiver program authorizing similar Medicaid supplemental payment programs; subsidizing indigent programs; paying the administrative expenses of the county solely for activities under the bill's provisions; refunding a portion of a mandatory payment collected in error from a paying hospital; and refunding to paying hospitals the proportionate share of money received by the county from HHSC that is not used to fund the nonfederal share of Medicaid supplemental payment program payments. The bill prohibits money in the fund from being commingled with other county funds. The bill prohibits an applicable intergovernmental transfer of funds and any funds received by the county as a result of such an intergovernmental transfer from being used by the county or any other entity to expand Medicaid eligibility under the federal Patient Protection and Affordable Care Act.

C.S.H.B. 3185 authorizes the commissioners court of a county that collects a mandatory payment to require an annual mandatory payment to be assessed on the net patient revenue of each institutional health care provider located in the county. The bill authorizes the commissioners court to provide for the mandatory payment to be assessed quarterly, sets out related provisions regarding the amounts to be set by the commissioners court for mandatory payments, and caps the amount of the mandatory payment required of each paying hospital at an amount that, when added to the amount of the mandatory payments required from all other paying hospitals in the county, equals an amount of revenue that does not exceed six percent of the aggregate net patient revenue of all paying hospitals in the county. The bill requires the commissioners court to set, subject to that cap, the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the county for activities under the bill's provisions, to fund an intergovernmental transfer from the county to the state to provide the nonfederal share of a Medicaid supplemental payment program, and to pay for indigent programs but caps the amount of revenue from mandatory payments that may be used for such administrative expenses in a year at the lesser of four percent of the total revenue generated from the mandatory payment or \$20,000. The bill prohibits the paying hospital from adding a mandatory payment as a surcharge to a patient.

C.S.H.B. 3185 provides for the assessment and collection of mandatory payments and establishes that interest, penalties, and discounts on mandatory payments are governed by the law applicable to county property taxes. The bill authorizes a county by rule to provide for an alternative

provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services to the extent that any provision or procedure under the bill's provisions causes a mandatory payment to be ineligible for federal matching funds.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3185 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 296 to read as follows:

CHAPTER 296. COUNTY HEALTH CARE FUNDING DISTRICT IN CERTAIN COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 296.001. DEFINITIONS. In this chapter:

(1) "Commission" means the commission of a district created under this chapter.

(2) "District" means a county health care funding district created under this chapter.

(3) "Institutional health care provider" means a nonpublic hospital licensed under Chapter 241.

(4) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

Sec. 296.002. CREATION OF DISTRICT. A district may be created by order of the commissioners court of each county that:

(1) is not served by a hospital district or a public hospital; and

(2) has a population of less than 200,000 and contains two municipalities both with populations of 75,000 or more.

Sec. 296.003. DISSOLUTION. A district created under this chapter may be dissolved in the manner provided for the dissolution of a hospital district under Subchapter E, Chapter 286.

Sec. 296.004. DISTRICT TERRITORY. The boundaries of each district are coextensive with the boundaries of the

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 296 to read as follows:

CHAPTER 296. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM IN CERTAIN COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 296.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services.

(2) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means the county health care provider participation program authorized by this chapter.

Sec. 296.002. APPLICABILITY. This chapter applies only to a county that:

(1) is not served by a hospital district or a public hospital; and

(2) has a population of less than 200,000 and contains two municipalities both with populations of 75,000 or more.

county in which the district is created.
SUBCHAPTER B. DISTRICT
ADMINISTRATION

Sec. 296.051. COMMISSION; DISTRICT
GOVERNANCE. (a) Each district created
under Section 296.002 is governed by a
commission consisting of the commissioners
court of the county in which the district is
created.

(b) Service on the commission by a county
commissioner or county judge is an
additional duty of that person's office.

(c) A district is a component of county
government and is not a separate political
subdivision of this state.

SUBCHAPTER C. POWERS AND
DUTIES

Sec. 296.101. LIMITATION ON
AUTHORITY TO REQUIRE
MANDATORY PAYMENT. Each district
may require a mandatory payment only in
the manner provided by this chapter.

Sec. 296.102. MAJORITY VOTE
REQUIRED. (a) A district may not require
any mandatory payment authorized under
this chapter, spend any money, including for
the administrative expenses of the district,
or conduct any other business without an
affirmative vote of a majority of the
members of the commission.

(b) Before requiring a mandatory payment
under this chapter in any one year, the
commission must obtain the affirmative vote
required by Subsection (a).

Sec. 296.103. RULES AND

Sec. 296.003. COUNTY HEALTH CARE
PROVIDER PARTICIPATION
PROGRAM; PARTICIPATION IN
PROGRAM. (a) A county health care
provider participation program authorizes a
county to collect a mandatory payment from
each institutional health care provider
located in the county to be deposited in a
local provider participation fund established
by the county. Money in the fund may be
used by the county to fund certain
intergovernmental transfers and indigent
care programs as provided by this chapter.

(b) The commissioners court may adopt an
order authorizing a county to participate in
the program, subject to the limitations
provided by this chapter.

SUBCHAPTER B. POWERS AND
DUTIES OF COMMISSIONERS COURT

Sec. 296.051. LIMITATION ON
AUTHORITY TO REQUIRE
MANDATORY PAYMENT. The
commissioners court of a county may
require a mandatory payment authorized
under this chapter by an institutional health
care provider in the county only in the
manner provided by this chapter.

Sec. 296.052. MAJORITY VOTE
REQUIRED. The commissioners court of a
county may not authorize the county to
collect a mandatory payment authorized
under this chapter without an affirmative
vote of a majority of the members of the
commissioners court.

Sec. 296.053. RULES AND

PROCEDURES. After the commission has voted to require a mandatory payment authorized under this chapter, the commission may adopt rules governing the operation of the district, including rules relating to the administration of a mandatory payment authorized under this chapter.

Sec. 296.104. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) A district shall require each institutional health care provider to submit to the district a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.

(b) A district may inspect the records of an institutional health care provider to the extent necessary to ensure compliance with the requirements of Subsection (a).

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 296.151. HEARING. (a) Each year, the commission of a district shall hold a public hearing on the amounts of any mandatory payments that the commission intends to require during the year and how the revenue derived from those payments is to be spent.

(b) Not later than the 10th day before the date of the hearing required under Subsection (a), the commission shall publish notice of the hearing in a newspaper of general circulation in the county in which the district is located.

(c) A representative of a paying hospital is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments authorized under this chapter.

Sec. 296.152. FISCAL YEAR. Each district's fiscal year begins on September 1 and ends on August 31 of each year.

PROCEDURES. After the commissioners court has voted to require a mandatory payment authorized under this chapter, the commissioners court may adopt rules relating to the administration of the mandatory payment.

Sec. 296.054. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) The commissioners court of a county that collects a mandatory payment authorized under this chapter shall require each institutional health care provider to submit to the county a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.

(b) The commissioners court of a county that collects a mandatory payment authorized under this chapter may inspect the records of an institutional health care provider to the extent necessary to ensure compliance with the requirements of Subsection (a).

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 296.101. HEARING. (a) Each year, the commissioners court of a county that collects a mandatory payment authorized under this chapter shall hold a public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year and how the revenue derived from those payments is to be spent.

(b) Not later than the 10th day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county.

(c) A representative of a paying hospital is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments authorized under this chapter.

Sec. 296.153. DEPOSITORY. (a) Each commission by resolution shall designate one or more banks located in the district as the depository for the district. A bank designated as a depository serves for two years or until a successor is designated.

(b) All income received by a district, including the revenue from mandatory payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited with the district depository in the district's local provider participation fund and may be withdrawn only as provided by this chapter.

(c) All district funds shall be secured in the manner provided for securing county funds.

Sec. 296.154. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) Each district shall create a local provider participation fund.

(b) The local provider participation fund consists of:

(1) all revenue from the mandatory payments authorized under this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the district to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the district to the state to provide the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor

Sec. 296.102. DEPOSITORY. (a) The commissioners court of each county that collects a mandatory payment authorized under this chapter by resolution shall designate one or more banks located in the county as the depository for mandatory payments received by the county. A bank designated as a depository serves for two years or until a successor is designated.

(b) All income received by a county under this chapter, including the revenue from mandatory payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited with the county depository in the county's local provider participation fund and may be withdrawn only as provided by this chapter.

(c) All funds under this chapter shall be secured in the manner provided for securing county funds.

Sec. 296.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) Each county that collects a mandatory payment authorized under this chapter shall create a local provider participation fund.

(b) The local provider participation fund of a county consists of:

(1) all revenue received by the county attributable to mandatory payments authorized under this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the county to the state to provide the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor

waiver program authorizing similar Medicaid supplemental payment programs;
(2) subsidize indigent programs;
(3) pay the administrative expenses of the district;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; and

(5) refund to paying hospitals the proportionate share of money received by the district from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.

(d) Money in the local provider participation fund may not be commingled with county funds.

(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the district as a result of an intergovernmental transfer described by that subsection may not be used by the district, the county in which the district is located, or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

Sec. 296.155. ALLOCATION OF CERTAIN FUNDS. Not later than the 15th day after the date the district receives a payment described by Section 296.154(c)(5), the district shall transfer to each paying hospital an amount equal to the proportionate share of those funds to which the hospital is entitled.

SUBCHAPTER E. MANDATORY PAYMENTS

Sec. 296.201. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL NET PATIENT REVENUE.

(a) Except as provided by Subsection (e), the commission of a district may require an annual mandatory payment to be assessed quarterly on the net patient revenue of each institutional health care provider located in the district.

In the first year in which the mandatory payment is required, the mandatory payment

waiver program authorizing similar Medicaid supplemental payment programs;
(2) subsidize indigent programs;
(3) pay the administrative expenses of the county solely for activities under this chapter;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; and

(5) refund to paying hospitals the proportionate share of money received by the county from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.

(d) Money in the local provider participation fund may not be commingled with other county funds.

(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the county as a result of an intergovernmental transfer described by that subsection may not be used by the county or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

SUBCHAPTER D. MANDATORY PAYMENTS

Sec. 296.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL NET PATIENT REVENUE.

(a) Except as provided by Subsection (e), the commissioners court of a county that collects a mandatory payment authorized under this chapter may require an annual mandatory payment to be assessed on the net patient revenue of each institutional health care provider located in the county. The commissioners court may provide for the mandatory payment to be assessed quarterly.

In the first year in which the mandatory payment is required, the mandatory payment

is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the fiscal year ending in 2014.

The district shall update the amount of the mandatory payment on a biennial basis.

(b) The amount of a mandatory payment authorized under this chapter must be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the district. A mandatory payment authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) The commission of a district that collects a mandatory payment authorized under this chapter shall set the amount of the mandatory payment. The amount of the mandatory payment required of each paying hospital may not exceed an amount that, when added to the amount of the mandatory payments required from all other paying hospitals in the district, equals an amount of revenue that exceeds six percent of the aggregate net patient revenue of all paying hospitals in the district.

(d) Subject to the maximum amount prescribed by Subsection (c), the commission shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the district, to fund the nonfederal share of a Medicaid supplemental payment program, and to pay for indigent programs, except that the amount of revenue from mandatory payments used for administrative expenses of the district in a year may not exceed the lesser of four percent of the total revenue generated from the mandatory payment or \$20,000.

(e) A paying hospital may not add a

is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the fiscal year ending in 2013 or, if the institutional health care provider did not report any data under those sections in that fiscal year, as determined by the institutional health care provider's Medicare cost report submitted for the 2013 fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. The county shall update the amount of the mandatory payment on an annual basis.

(b) The amount of a mandatory payment authorized under this chapter must be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the county. A mandatory payment authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) The commissioners court of a county that collects a mandatory payment authorized under this chapter shall set the amount of the mandatory payment. The amount of the mandatory payment required of each paying hospital may not exceed an amount that, when added to the amount of the mandatory payments required from all other paying hospitals in the county, equals an amount of revenue that exceeds six percent of the aggregate net patient revenue of all paying hospitals in the county.

(d) Subject to the maximum amount prescribed by Subsection (c), the commissioners court of a county that collects a mandatory payment authorized under this chapter shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the county for activities under this chapter, to fund an intergovernmental transfer described by Section 296.103(c)(1), and to pay for indigent programs, except that the amount of revenue from mandatory payments used for administrative expenses of the county for activities under this chapter in a year may not exceed the lesser of four percent of the total revenue generated from the mandatory payment or \$20,000.

(e) A paying hospital may not add a

mandatory payment required under this section as a surcharge to a patient.

Sec. 296.202. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. (a) Except as provided by Subsection (b), the county tax assessor-collector shall collect the mandatory payment authorized under this chapter. The county tax assessor-collector shall charge and deduct from mandatory payments collected for the district a fee for collecting the mandatory payment in an amount determined by the commission, not to exceed the county tax assessor-collector's usual and customary charges.

(b) If determined by the commission to be appropriate, the commission may contract for the assessment and collection of mandatory payments in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes.

(c) Revenue from a fee charged by a county tax assessor-collector for collecting the mandatory payment shall be deposited in the county general fund and, if appropriate, shall be reported as fees of the county tax assessor-collector.

Sec. 296.203. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county ad valorem taxes.

Sec. 296.204. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) The purpose of this chapter is to generate revenue by collecting from institutional health care providers a mandatory payment to be used to provide the nonfederal share of a Medicaid supplemental payment program.

(b) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the district may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

SECTION 2. If before implementing any provision of this Act a state agency

mandatory payment required under this section as a surcharge to a patient.

Sec. 296.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. (a) Except as provided by Subsection (b), the county tax assessor-collector shall collect the mandatory payment authorized under this chapter. The county tax assessor-collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor-collector's usual and customary charges.

(b) If determined by the commissioners court to be appropriate, the commissioners court may contract for the assessment and collection of mandatory payments in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes.

(c) Revenue from a fee charged by a county tax assessor-collector for collecting the mandatory payment shall be deposited in the county general fund and, if appropriate, shall be reported as fees of the county tax assessor-collector.

Sec. 296.153. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county ad valorem taxes.

Sec. 296.154. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) The purpose of this chapter is to generate revenue by collecting from institutional health care providers a mandatory payment to be used to provide the nonfederal share of a Medicaid supplemental payment program.

(b) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the county may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

SECTION 2. Same as introduced version.

determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 3. Same as introduced version.