

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1001
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Health & Human Services
5/8/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

The House Human Services Committee reports that both industry representatives and nursing home resident advocacy groups point to the methodology for calculating Medicaid reimbursement rates as an underlying cause for much of the nursing home industry's problems. The current methodology may not accurately reflect all justifiably reimbursable costs of doing business. In addition, the current Texas Index for Level of Effort (TILE) reimbursement system does not always reflect the true resource needs of residents. For example, facilities generally receive the lowest rate of reimbursement for patients with Alzheimer's or related dementia, even though caring for these patients demands more staff time. Furthermore, the reimbursement methodology does not provide incentives for increased direct care spending. C.S.H.B. 1001 requires the Health and Human Services Commission and the Department of Human Services to review the base reimbursement methodology for nursing home care.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. REVIEW OF REIMBURSEMENT RATES. (a) Requires the Health and Human Services Commission (commission), subject to the availability of funds and in conjunction with the Texas Department of Human Services (department), to evaluate the methodology used for determining Medicaid reimbursement rates for nursing facilities. Sets forth certain requirements of the commission and the department.

(b) Requires the commission, in conjunction with the department, to evaluate and examine certain items.

(c) Sets forth certain criteria for measuring the level of performance under Subsection (b)(3) of this section.

SECTION 2. REVIEW OF TILE CLASSIFICATION SYSTEM. (a) Requires the commission, subject to the availability of funds and in conjunction with the department, to evaluate the Texas Index for Level of Effort classification system used to quantify the intensity of the care needs of individuals in nursing facilities and to assign daily reimbursement rates for that care to determine whether the system accurately accounts for the care needs of patients with dementia, including patients with Alzheimer's disease.

(b) Requires the commission, in conducting the evaluation required by this section, to seek the input of relevant professionals and other individuals or organizations with expertise in caring for people with dementia, including Alzheimer's disease.

SECTION 3. REPORT TO LEGISLATURE. Requires the commission to report the results of the

evaluations conducted under this Act to the governor, the lieutenant governor, and the speaker of the house of representatives not later than September 1, 2002.

SECTION 4. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Amends Engrossed H.B. 1001 as follows:

SECTION 1. Adds text relating to the availability of funds and relating to items the commission is required to examine.

SECTION 2. Adds text relating to the availability of funds.

SECTION 3. Changes the date by which the report required of the commission is due from December 1, 2002, to September 1, 2002.