

## **BILL ANALYSIS**

Senate Research Center  
77R2896 SGA-D

S.B. 1052  
By: Shapleigh  
Health & Human Services  
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As Filed

### **DIGEST AND PURPOSE**

Currently, the Medicaid reimbursement and Children's Health Insurance Program (CHIP) capitation rates for the 43 border counties are significantly lower than those of other counties in the state, due to historical underutilization of health care services. As proposed, S.B. 1052 establishes a committee to develop a strategic plan for eliminating the disparities between the border region and other areas of the state; requires the Health and Human Services Commission (commission) to raise the Medicaid reimbursement and CHIP capitation rates for the border region to a statewide average; provides a financial incentive to border physicians; and requires the commission to contract with a public university to measure the effects of the rate increases.

### **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. Amends Chapter 531B, Government Code, by adding Section 531.0221, as follows:

Sec. 531.0221. RATES AND EXPENDITURES IN THE TEXAS-MEXICO BORDER REGION. (a) Defines "child health plan program," "committee," and "Texas-Mexico border region."

(b) Requires the commissioner of health and human services (commissioner) to appoint an advisory committee to develop a strategic plan for eliminating the disparities between the Texas-Mexico border region and other areas of the state in certain rates and expenditures related to Medicaid and the child health plan program.

(c) Requires the committee periodically to perform the research necessary to analyze and compare the rates and expenditures described by Subsection (b) and, not later than the date specified by the commissioner, produce a report based on the results of that analysis and comparison.

(d) Requires the committee to, as part of the report required by Subsection (c), make recommendations to the commissioner for addressing the problems created by disparities documented in the report, including recommendations for allocation of funds.

(e) Requires the commissioner to appoint nine members to the advisory committee in a manner that ensures that the composition of the committee meets certain criteria.

(f) Requires the committee to elect officers from among the members of the committee.

(g) Requires appointments to the committee to be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

(h) Prohibits a member of the committee from receiving compensation, but entitles a committee member to reimbursement of travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

(i) Requires the Health and Human Services Commission (commission) to provide administrative support and resources to the committee as necessary for the committee to perform the duties under this section.

(j) Provides that the committee is not subject to Chapter 2110 (State Agency Advisory Committees), Government Code.

(k) Requires the commission, with advice from the committee, to ensure that: the disparities in rates and expenditures described by Subsection (b) are eliminated as soon as practicable so that the rates and expenditures in the Texas-Mexico border region equal the statewide average rates and expenditures; and a physician providing a service to a Medicaid recipient in the Texas-Mexico border region receives, in addition to reimbursement at the rate required under Subdivision (1), a bonus in the amount of 10 percent of the reimbursement customarily provided to a physician providing that service in another region of the state.

(l) Requires the commission, for purposes of Subsection (k), to exclude data from the Texas-Mexico border region in determining the statewide average capitation rates under Medicaid managed care and the child health plan program and the statewide average total professional services expenditures per Medicaid recipient or per child enrolled in the child health plan program.

(m) Authorizes the commission, with advice from the committee and other appropriate groups, to vary the amount of any rate increases for professional services required by Subsection (k) according to the type of service provided.

(n) Requires the commission to develop mechanisms to pass any rate increase required by Subsection (k) directly to providers, including providers in Medicaid managed care service delivery areas with health maintenance organization, prepaid health plan, or primary care case management models.

(o) Requires the commission to contract with a public university to: measure changes occurring from September 1, 2001, to August 31, 2004, in the number of health care providers participating in the Medicaid program or the child health plan program in the Texas-Mexico border region and resulting effects on consumer access to health care and consumer utilization; determine the effects, if any, of the changes in rates and expenditures required by Subsection (k); and not later than December 1, 2004, submit a report to the legislature.

(p) Provides that this section expires September 1, 2011.

SECTION 2. Requires a state agency, if before implementing any provision of this Act it determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, to request the waiver or authorization and authorizes the state agency to delay implementing that provision until the waiver or authorization is granted.

SECTION 3. Requires the changes in rates and expenditures required by Section 531.0221(k), Government Code, as added by this Act, to be initiated not later than September 1, 2002. Requires the advisory committee on funding disparities in health programs to deliver the first report required by Section 531.0221(c), Government Code, as added by this Act, not later than September 1, 2002.

SECTION 4. Effective date: September 1, 2001.