

## BILL ANALYSIS

Senate Research Center  
77R6490 SGA-D

S.B. 1053  
By: Shapleigh  
Health & Human Services  
3/20/2001  
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. Border counties are some of the poorest in the state, and these counties have been unable to build an adequate health infrastructure, resulting in barriers to access of health care services and a lower historical utilization of services. Since the historical utilization of services is a significant factor in Medicaid reimbursement and the original CHIP capitation rates, border healthcare providers have disproportionately lower reimbursement and capitation rates for professional services. As proposed, S.B. 1053 requires the Health and Human Services Commission to increase the Medicaid reimbursement rate and to provide a financial incentive to physicians who provide services to certain Medicaid and CHIP enrollees in the Texas-Mexico border region.

### 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 (committee) to develop a strategic plan for eliminating disparities between the Texas-Mexico border region and other areas of the state in certain areas.
- (c) Requires the committee to periodically 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, as a part of the report required by Subsection (c), to 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 committee in a manner that ensures that the committee meets certain criteria.
- (f) Requires the committee to elect officers from among the committee members.
- (g) Requires appointments to the committee be made without regard to certain

characteristics of the appointees.

(h) Prohibits a member of the committee from receiving compensation, but is entitled 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 commission to provide administrative support and resource 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, Government Code.

(k) Requires the commission, with advise from the committee, to ensure that certain conditions occur.

(l) Requires the commission, for the purposes of Subsection (k), to exclude data from the Texas-Mexico border region in determining certain information.

(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 ensure certain tasks and duties are completed.

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

SECTION 2. Requires a state agency that determines, before implementing any provision of this Act, 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 agency to delay implementing that provision until the waiver or authorization is granted.

SECTION 3. (a) Requires that the changes in rates and expenditures required by Section 531.0221(k), Government Code, as added by this Act, be initiated not later than September 1, 2002.

(b) 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.