

BILL ANALYSIS

Senate Research Center
77R988 KLA-D

S.B. 283
By: Nelson
Health & Human Services
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As Filed

DIGEST AND PURPOSE

Healthcare for patients suffering from chronic disease consumes a majority of all health expenditures. In the managed care population, studies have indicated as few as ten percent of enrollees with chronic illnesses may consume as much as seventy percent of a group's healthcare costs. Risk factors such as obesity and lack of exercise are increasing among Texas' children, setting the stage for an epidemic of chronic conditions such as diabetes and heart disease. More children are experiencing problems with asthma than ever before; between 1982 and 1993 the prevalence of asthma in the United States increased by forty-six percent overall and eighty percent in children. In 1995 Texas Medicaid spent over \$31 million on asthma-related hospitalizations. Recent reports suggest that many patients with chronic disease are not receiving the appropriate level of care to effectively manage their conditions. Contributing factors include medication noncompliance, inadequate patient education and secondary prevention services, unexplained clinical variation in treatment, and inconsistency among physicians in following established treatment recommendations. As proposed, S.B. 283 requires the Health and Human Services Commission to develop and implement a targeted pilot project to determine the effectiveness of a disease management program in the reduction of long-term health care costs, improved care, better utilization patterns, and improved coordination of 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. Amends Section 533.009, Government Code, as follows:

Sec. 533.009. (a) Requires the Health and Human Services Commission or an agency operating part of the state Medicaid managed care program (commission) to ensure that managed care organizations under contract with the commission to provide health care services to recipients develop and implement special disease management programs to address chronic health conditions and use outcome measures to assess the programs. Deletes the phrase "to the extent possible."

(b) Requires the commission to study the benefits and costs of applying disease management principles in the delivery of Medicaid managed care services to recipients with chronic health conditions. Requires the commission, in conducting the study, to evaluate the effectiveness of those principles in certain areas.

(c) Authorizes the commission to conduct the study under Subsection (b) in conjunction with an academic center.

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

waiver or authorization is granted.

SECTION 3. Effective date: September 1, 2001.