

## **BILL ANALYSIS**

Senate Research Center  
78R2004 KEG-D

S.B. 398  
By: Shapleigh  
Health & Human Services  
2/14/2003  
As Filed

### **DIGEST AND PURPOSE**

Currently, in some rural areas in Texas and areas near the Texas-Mexico border, Medicaid and Children's Health Insurance Program (CHIP) reimbursement rates are lower than rates elsewhere in the state. As proposed, S.B. 398 increases the Medicaid and CHIP reimbursement rates in strategic investment areas to the statewide average. S.B. 398 provides that the Health and Human Services Commission (HHS) will calculate the statewide average reimbursement rates and requires HHS to make such rates equitable throughout the state.

### **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 531.0224, as follows:

Sec. 531.0224. RATES AND EXPENDITURES IN CERTAIN STRATEGIC INVESTMENT AREAS. (a) Defines "child health plan program" and "strategic investment area."

(b) Requires the Health and Human Services Commission (HHS) to ensure in each strategic investment area: that the capitation rates under the Medicaid managed care program and the child health plan program are not less than their respective statewide-average capitation rates; that the fee-for-service reimbursement rates for inpatient and outpatient hospital services under these two programs are not less than their respective statewide-average fee-for-service reimbursement rates; and that the total professional services expenditures per Medicaid recipient and per child health plan program enrollee are not less than their respective statewide average expenditures.

(c) Requires HHS, for purposes of Subsection (b), to exclude data from strategic investment areas in determining the statewide averages for capitation rates, fee-for-service reimbursement rates, and professional services expenditures.

SECTION 2. Requires the changes in rates and expenditures required by Section 531.0224, Government Code, to be implemented on or by September 1, 2004.

SECTION 3. Requires a state agency that needs a waiver or authorization from a federal agency in order to implement any provision of this Act to request the waiver or authorization; and authorizes the affected agency to delay the implementation of the particular provision until the waiver or authorization is granted.

SECTION 4. Effective date: September 1, 2003.

