

BILL ANALYSIS

Senate Research Center
79R5522 CLG-F

S.B. 871
By: Nelson
Finance
3/14/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 871 directs the Health and Human Services Commission (commission) to develop an integrated care management program to deliver acute health care and long-term care services to Medicaid recipients through a non-capitated managed care model. The purpose of this bill is to contain Medicaid costs while improving health care outcomes and patient access for Medicaid recipients without jeopardizing federal funding streams for public hospitals and hospital districts.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 4 (Section 533.061, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 533.001, Government Code, by adding Subdivision (5-a) to define "medical home."

SECTION 2. Amends Section 533.002, Government Code, to include, as functions of the Health and Human Services Commission (commission) in implementing the Medicaid managed care program, to contract with managed care organizations in a manner that, to the extent possible, minimizes expenditures not related to the provision of direct care, unless those expenditures will result in better care provided to and improved outcomes for recipients, and reduces administrative and other nonfinancial barriers for physicians and other providers participating in the state Medicaid program.

SECTION 3. Amends Section 533.0025, Government Code, by amending Subsections (b), (c), and (d), and adding Subsections (c-1) and (f), as follows:

(b) Deletes existing text specifying that the commission is required to provide medical assistance for acute care, rather than general medical assistance, through the most cost-effective model of Medicaid managed care as determined by the commission. Makes conforming changes.

(c) Requires the executive commissioner of the Health and Human Services Commission (commissioner), rather than the commissioner, in determining whether a model or arrangement described by Subsection (b) is more cost-effective, to consider certain amended effects, including fiscal and long-term impacts.

(c-1) Prohibits the commission, except as provided by Subchapter D, from providing medical assistance in a certain area of this state or to a certain population of recipients using a Medicaid managed care model or arrangement as provided by this section unless the commission provides an option for recipients in that area or population to receive medical assistance through a primary care case management model of managed care.

(d) Makes conforming changes.

(f) Requires the commission, before the commission begins initially providing medical assistance through a Medicaid managed care model or arrangement to recipients residing in a certain area of this state, or begins providing medical assistance to recipients in that

area through a different model or arrangement, to seek public comments and hold a public hearing in the affected area at least six months before the date the commission intends to begin providing medical assistance through that model or arrangement.

SECTION 4. Amends Chapter 533, Government Code, by adding Subchapter D, as follows:

SUBCHAPTER D. INTEGRATED CARE MANAGEMENT MODEL

Sec. 533.061. INTEGRATED CARE MANAGEMENT MODEL PILOT PROJECT. (a) Requires the executive commissioner by rule to establish a pilot project to determine the cost savings, health benefits, and effectiveness of providing medical assistance through an integrated care management model to certain populations of recipients to be conducted and evaluated by the commission.

(b) Requires the integrated care management model developed under the pilot project to include certain components.

(c) Requires the commission to implement the pilot project in at least eight areas of this state, including both urban and rural areas. Requires at least one-half of the pilot project sites to be in areas of this state in which a primary care case management model of Medicaid managed care was being used to provide medical assistance to recipients on January 1, 2005.

Sec. 533.062. TECHNOLOGICAL SUPPORT AND CARE COORDINATION. (a) Requires the commission, in implementing the integrated care management model of Medicaid managed under this subchapter, to contract for technological support and care coordination as necessary to assure appropriate use of services by and cost-effective health outcomes for recipients.

(b) Requires the commission to take certain measures in awarding a contract under this section.

(c) Provides that the services provided under the contract should be designed to enhance the ability of integrated care management providers to be effective and responsive in making treatment decisions.

Sec. 533.063. STATEWIDE ADVISORY COMMITTEE OF PROVIDERS. (a) Requires the executive commissioner to appoint an advisory committee of health care providers or representatives of those providers to assist the executive commissioner in developing the integrated care management model. Requires the executive commissioner to consult the advisory committee throughout the development of the model, including in relation to the development of proposed rules under Section 533.061.

(b) Sets forth the members who comprise the committee.

(c) Requires the advisory committee to meet as necessary to perform the duties required by this section.

(d) Prohibits a member of the committee from receiving compensation for serving on the committee but entitles a member of the committee to reimbursement for reasonable and necessary travel expenses incurred by the member while conducting the business of the committee, as provided by the General Appropriations Act.

(e) Provides that the committee is not subject to Chapter 551 (Open Meetings), Government Code.

Sec. 533.064. REGIONAL ADVISORY COMMITTEES. (a) Requires the executive commissioner, in each area of this state in which the commission plans to implement the pilot project under Section 533.061, to appoint an advisory committee for that area to

assist with the development and implementation of the integrated care management model.

(b) Provides that a committee consists of individuals from the area with respect to which the committee will provide advice and must include the same number of members from each category of providers and representatives of providers specified in Section 533.063(b).

(c) Provides that a committee is not subject to Chapter 551, Government Code.

Sec. 533.065. REPORT. Requires the commission, not later than January 5, 2007, to submit to the Legislative Budget Board, the lieutenant governor, and the speaker of the house of representatives a report describing the results of the pilot project implemented under Section 533.061. Requires the report to include certain information and recommendations.

Sec. 533.066. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires on September 1, 2009.

SECTION 5. Amends Section 32.0212, Human Resources Code, to make a conforming change.

SECTION 6. Requires the executive commissioner to adopt rules to implement the pilot project established under Section 533.061, Government Code, as added by this Act, not later than December 1, 2005.

SECTION 7. Authorizes the commission, to provide technological support and care coordination services as required by Section 533.062, Government Code, as added by this Act, to take certain steps regarding contractual obligations.

SECTION 8. Requires an agency affected by a provision of this act, if before implementing any provision of this Act a state agency determines that a waiver or other 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 9. Effective date: upon passage or September 1, 2005.