BILL ANALYSIS

Senate Research Center
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H.B. 2245
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Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, many Medicaid clients use the emergency room for conditions that could be treated in a primary care setting, such as a doctor's office or clinic, where the treatment costs much less. Redirecting clients with non-emergent conditions to the primary care setting could save the state approximately $180 million per year.

One way to reduce use of emergency rooms for non-emergent care is to implement a cost-effective physician incentive program throughout the Texas Medicaid program. Several maintenance organizations participating in the Texas Medicaid program have implemented programs that include incentives for a physician to offer routine after-hour appointments and report that the cost of the physician incentive program is offset by reduced use of emergency rooms.

H.B. 2245 seeks to reduce the use of emergency rooms for non-emergent care by requiring a study to evaluate the benefits of a cost-effective physician incentive program throughout the Texas Medicaid program and, according to the results of the study, establish such a program.

H.B. 2245 amends current law relating to physician incentive programs to reduce hospital emergency room use for non-emergent conditions by Medicaid recipients.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 531.0861, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 531, Government Code, by adding Sections 531.086 and 531.0861, as follows:

> Sec. 531.086. STUDY REGARDING PHYSICIAN INCENTIVE PROGRAMS TO REDUCE HOSPITAL EMERGENCY ROOM USE FOR NON-EMERGENT CONDITIONS. (a) Requires the Health and Human Services Commission (HHSC) to conduct a study to evaluate physician incentive programs that attempt to reduce hospital emergency room use for non-emergent conditions by recipients under the medical assistance program. Requires each physician incentive program evaluated in the study to:
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> > (1) be administered by a health maintenance organization participating in the STAR or STAR + PLUS Medicaid managed care program; and
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> > (2) provide incentives to primary care providers who attempt to reduce emergency room use for non-emergent conditions by recipients.
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> (b) Requires that the study conducted under Subsection (a) evaluate:
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> > (1) the cost-effectiveness of each component included in a physician incentive program; and

(2) any change in statute required to implement each component within the Medicaid fee-for-service or primary care case management model.

(c) Requires the executive commissioner of HHSC (executive commissioner), not later than August 31, 2012, to submit to the governor and the Legislative Budget Board a report summarizing the findings of the study required by this section.

(d) Provides that this section expires September 1, 2013.

Sec. 531.0861. PHYSICIAN INCENTIVE PROGRAM TO REDUCE HOSPITAL EMERGENCY ROOM USE FOR NON-EMERGENT CONDITIONS. (a) Requires the executive commissioner by rule to establish a physician incentive program designed to reduce the use of hospital emergency room services for non-emergent conditions by recipients under the medical assistance program.

(b) Authorizes the executive commissioner, in establishing the physician incentive program under Subsection (a), to include only the program components identified as cost-effective in the study conducted under Section 531.086.

(c) Requires the executive commissioner, if the physician incentive program includes the payment of an enhanced reimbursement rate for routine after-hours appointments, to implement controls to ensure that the after-hours services billed are actually being provided outside of normal business hours.

SECTION 2. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such a waiver or authorization is granted.

SECTION 3. Effective date: September 1, 2011.