

BILL ANALYSIS

Senate Research Center

S.B. 23
By: Nelson
Finance
2/11/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 23 directs the Health and Human Services Commission and other agencies responsible for administration of the state medical assistance and child health plan programs to identify efficiencies and reduce expenditures within these programs through a number of cost-saving initiatives.

As proposed, S.B. 23 relates to efficiencies and cost-savings in the health and human services and other related regulatory agencies, including the state medical assistance and child health plan programs.

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. Authorizes the legislature, in its discretion, notwithstanding any statute to the contrary, to determine the amount of each appropriation of state funds. Authorizes the amounts required by statute for entities that receive state funds under the General Appropriations Act, 82nd Legislature, Regular Session, 2011, to be reduced or eliminated in order to achieve a balanced budget.

SECTION 2. Requires the Health and Human Services Commission (HHSC) and other agencies responsible for administration of the state medical assistance and child health plan programs to identify efficiencies and reduce expenditures in these programs by:

- (1) leveraging all options for program flexibility and funding, including working with other states and the federal Department of Health and Human Services, to increase program efficiency, accountability, and sustainability;
- (2) implementing payment reform and quality-based payments in fee for service and managed care;
- (3) increasing neonatal intensive care management;
- (4) aligning hospital rates in managed care closer to fee for service rates;
- (5) renegotiating more efficient contracts;
- (6) developing more appropriate emergency department hospital rates for nonemergency related visits;
- (7) maximizing client cost-sharing, including co-payments;
- (8) maximizing federal matching funds through a statewide transportation broker or a federal waiver;

- (9) pursuing a federal waiver that would allow the state to share in savings realized to the Medicare program that result from state improvements in quality and efficiency for clients enrolled in both the state medical assistance program and Medicare;
- (10) reducing costs for durable medical equipment and laboratory services through rate reductions, utilization management, and consolidation;
- (11) optimizing federal matching funds for all state and local funding streams, including Trauma Funds;
- (12) increasing utilization management and review;
- (13) evaluating the consolidation of existing state health plans for children's health;
- (14) reviewing the implications of continuing or eliminating certain optional services;
- (15) modifying inpatient and outpatient hospital reimbursements;
- (16) promoting and expanding the use of telemedicine, telemonitoring, and other technologies;
- (17) increasing client access to preventive primary care;
- (18) implementing an objective client assessment process;
- (19) maximizing efficiencies and cost-savings through the managed care model;
- (20) ensuring that clients are being served in the most cost-effective Section 1915(c) waiver program appropriate for their needs;
- (21) streamlining the administration and delivery of services through Section 1915(c) waiver programs;
- (22) requiring clients of Section 1915(c) waiver programs to access attendant services through community based entitlement programs as appropriate;
- (23) requesting any waiver or authorization from a federal agency determined to be necessary for implementation of any initiative aimed at improving efficiency and reducing expenditures; and
- (24) implementing additional initiatives identified by the HHSC and other agencies responsible for administration of the state medical assistance and child health plan programs.

SECTION 3. Repealer: Section 533.0025(e) (relating to prohibiting HHSC from providing assistance using a health maintenance organization in certain counties), Government Code.

SECTION 4. Effective date: upon passage or September 1, 2011.