

BILL ANALYSIS

Senate Research Center
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S.B. 1602
By: Kolkhorst
Health & Human Services
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1602 preserves and extends the managed care agreements of S.B. 7, Acts of the 83rd Legislature, Regular Session, 2013.

- Continues to mandate that the Health and Human Services Commission (HHSC) set the minimum reimbursement rate for nursing facility services at the Medicaid FFS daily rate, which ensures funds are not diverted from patient care to managed care profits through unwarranted Medicaid provider payment cuts.
- Continues to mandate that prior approval is not needed for patients needing emergency transportation to a hospital, which ensures patients are able to immediately seek necessary acute care in emergency situations.
- Safeguards the 10-day prompt pay requirement of MCOs to nursing facilities to ensure nursing facilities are reimbursed timely for the services they provide to managed care patients.
- Ensures Medicare reimbursement rates to nursing facilities are used as the minimum reimbursement rates to such facilities in managed care agreements for patients that are eligible for both Medicare and Medicaid.

As proposed, S.B. 1602 amends current law relating to the delivery of certain Medicaid managed care benefits and reimbursement rates for certain of those services.

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 Sections 533.00251(c) and (d), Government Code, as follows:

(c) Requires the Health and Human Services Commission (HHSC), subject to Section 533.0025 (Delivery of Services) and notwithstanding any other law, in consultation with the STAR + PLUS Nursing Facility Advisory Committee (advisory committee), to provide benefits under the medical assistance program to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program (program). Requires HHSC to ensure, in implementing this subsection:

(1) that, subject to Section 533.002511, HHSC is responsible for setting the minimum reimbursement rate paid to a nursing facility under the program, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement;

(2)-(9) Makes no change to these subdivisions.

(d) Requires HHSC, subject to Subsection (e) (relating to credentialing and minimum performance standards for nursing facility providers seeking to participate in the program), to ensure that a nursing facility provider authorized to provide services under the medical assistance program on September 1, 2015, rather than September 1, 2013, is

allowed to participate in the program through August 31, 2019, rather than August 31, 2017.

SECTION 2. Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.002511, as follows:

Sec. 533.002511. MINIMUM NURSING FACILITY REIMBURSEMENT RATES FOR RECIPIENTS ALSO ELIGIBLE FOR MEDICARE. Requires that a contract between a managed care organization and HHSC for the organization to provide health care services to recipients contain a requirement that the minimum reimbursement rate paid by the organization to a nursing facility for services provided to a recipient who is also eligible to receive services under the Medicare program is the prevailing reimbursement rate for nursing facilities under the Medicare program.

SECTION 3. Amends Section 533.005(a-1), Government Code, to provide that the requirements imposed by Subsections (a)(23)(A) (relating to an outpatient pharmacy benefit plan that exclusively employs the vendor drug program formulary and preserves the state's ability to reduce abuse under the Medicaid program), (B) (relating to an outpatient pharmacy benefit plan that adheres to an applicable preferred drug list adopted by HHSC), and (C) (relating to an outpatient pharmacy benefit plan that includes certain prior authorization procedures and requirements for the vendor drug program) do not apply, and are prohibited from being enforced, on and after August 31, 2019, rather than on or after August 31, 2018.

SECTION 4. 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 5. Effective date: upon passage or September 1, 2015.