

BILL ANALYSIS

Senate Research Center
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S.B. 1819
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Health & Human Services
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Retired Texans who live in a nursing facility have the cost of their care paid by Texas' Medicaid program. Under Medicaid, the state reimburses providers for the cost of care at a flat rate for all providers.

In 2013, the 83rd Legislature adopted Rider 40 in Article II of the General Appropriations Act. This rider established a six percent rate increase over the 2014-2015 biennium in hopes of increasing the quality of care provided to some of our most vulnerable citizens in nursing facilities. Despite this increase in funding, the Interim Committee Report of the Senate Health and Human Services Committee released in November of 2016 found that, "Overall, the quality of Texas nursing facilities is poor. Among the five states with the most senior citizens, Texas had the highest number of low-rated nursing facilities in a May 2015 report, and over 50 percent of the state's nursing facilities received one or two stars out of a five star federal rating system."

A flat rate reimbursement system for these providers fails to offer an adequate incentive for increased quality of care. Under this system, the state will not improve nursing home quality and cannot realize better clinical outcomes for nursing home residents. Taxpayers and care recipients are ill-served by the current reimbursement schedule that ignores important quality measures and data-driven criteria.

S.B. 1819 amends Section 32.028, Human Resources Code, relating to incentives for increasing the direct care staff and direct care wages in nursing facilities. The bill also removes language stipulating that a quality based incentives program can only be implemented to the extent that appropriated funds are available after money is allocated to base rate reimbursement.

As proposed, S.B. 1819 amends current law relating to the provision of a nursing facility quality-based payment incentives program and a program to increase direct care staff and wages under Medicaid.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the executive commissioner of the Health and Human Services Commission is modified in SECTION 1 (Section 32.028, Human Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 32.028(g) and (i), Human Resources Code, as follows:

(g) Requires the executive commissioner of the Health and Human Services Commission, subject to Subsection (i), to ensure that the rules governing the determination of rates paid for nursing facility services improve the quality of care by:

(1) providing a program offering nursing facility quality-based payment incentives and a program for increasing direct care staff and direct care wages and benefits, rather than providing a program offering incentives for increasing direct care staff and direct care wages and benefits, but only to the extent that appropriated funds are available after money is allocated to base rate

reimbursements as determined by HHSC's nursing facility rate setting methodologies; and

(2) makes no changes to this subdivision.

(i) Makes a nonsubstantive change.

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 delay of implementation until such a waiver or authorization is granted.

SECTION 3. Effective date: upon passage or September 1, 2017.