

## **BILL ANALYSIS**

Senate Research Center  
87R9389 KFF-D

S.B. 1136  
By: Kolkhorst  
Health & Human Services  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In August 2020, the Centers for Medicare and Medicaid Services (CMS) approved the Delivery System Reform Incentive Payment (DSRIP) Transition Plan. According to the transition plan, the DSRIP program and funding will end on September 30, 2021.

Current law also authorizes the Health and Human Services Commission (HHSC) to develop programs and initiatives to reduce unnecessary hospital emergency room visits.

S.B. 1136 seeks to preserve and build upon the successes of the DSRIP program and also enhance the efforts by HHSC to reduce hospital emergency room visits and increase access to primary care providers.

As proposed, S.B. 1136 amends current law relating to implementation of certain health care provider initiatives and measures designed to reduce costs and improve recipient health outcomes under Medicaid.

### **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 Section 531.085, Government Code, as follows:

Sec. 531.085. HOSPITAL EMERGENCY ROOM USE REDUCTION INITIATIVES.

(a) Creates this subsection from existing text and makes no further changes.

(b) Requires the Health and Human Services Commission (HHSC) to coordinate with hospitals and other providers that receive supplemental payments under the uncompensated care payment program operated under the Texas Health Care Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315) to identify and implement initiatives based on best practices and models that are designed to reduce Medicaid recipients' use of hospital emergency room services as a primary means of receiving health care benefits, including initiatives designed to improve recipients' access to and use of primary care providers.

SECTION 2. Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.0862, as follows:

Sec. 531.0862. CONTINUED IMPLEMENTATION OF CERTAIN INTERVENTIONS AND BEST PRACTICES BY PROVIDERS; BIENNIAL REPORT. (a) Requires HHSC to encourage Medicaid providers to continue implementing effective interventions and best practices associated with improvements in the health outcomes of Medicaid recipients that were developed and achieved under the Delivery System Reform Incentive Payment (DSRIP) program previously operated under the Texas Health Care

Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), through:

- (1) existing provider incentive programs and the creation of new provider incentive programs;
- (2) the terms included in contracts with Medicaid managed care organizations;
- (3) implementation of alternative payment models; or
- (4) adoption of other cost-effective measures.

(b) Requires HHSC to biannually prepare and submit a report to the legislature that contains a summary of HHSC's efforts under this section and Section 531.085(b).

SECTION 3. 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 4. Effective date: September 1, 2021.