

BILL ANALYSIS

H.B. 2409
By: Klick
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Health and Human Services Commission (HHSC) administers a supplemental payment program authorized under a federal waiver that allows public ambulance providers to access federal funds at no cost to the state's general revenue that are used to offset shortfalls due to inadequate Medicaid reimbursement. As part of the waiver's renewal, several changes are anticipated that will severely limit access to these additional federal funds, and it has been reported that HHSC can implement strategies to mitigate the financial impact of these changes. H.B. 2409 seeks to provide for the development and implementation of two programs, one under the Medicaid fee-for-service delivery model and one under the Medicaid managed care delivery model, designed to provide supplemental payments to eligible ambulance providers and to apply for and actively pursue from the federal Centers for Medicare and Medicaid Services or other appropriate federal agency any waiver or other authorization necessary to implement such programs.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

ANALYSIS

H.B. 2409 amends the Human Resources Code to require the Health and Human Services Commission (HHSC) to develop and implement two programs, one under the Medicaid fee-for-service delivery model and one under the Medicaid managed care delivery model, designed to provide supplemental payments to eligible ambulance providers and to apply for and actively pursue from the federal Centers for Medicare and Medicaid Services or other appropriate federal agency any waiver or other authorization necessary to implement such programs. The bill requires HHSC to implement the supplemental payment program implemented under the Medicaid managed care program on a retroactive basis to the extent permitted by such a waiver or other authorization.

H.B. 2409 sets out eligibility requirements for an ambulance provider to participate in a supplemental payment program and establishes that participation by a governmental entity in such a program is voluntary.

H.B. 2409, with respect to the supplemental payment program implemented under the Medicaid fee-for-service delivery model:

- provides for the certification of expenditures by a governmental entity that is a

participating provider or contracts with a participating provider under an interlocal agreement;

- requires HHSC to claim federal financial participation for expenditures claimed for the provision of ground emergency medical transportation services to Medicaid recipients that are allowable costs under the applicable authorization to implement the program; and
- provides for the supplemental reimbursement payments to participating providers, including caps on and reductions of such payments.

H.B. 2409, with respect to the supplemental payment program implemented under the Medicaid managed care delivery model:

- requires HHSC to develop the program in consultation with providers eligible to participate in the program;
- requires the program to use intergovernmental transfers to finance increased capitation payments for the purpose of supplementing the reimbursement amount paid to participating providers;
- requires HHSC, to the extent such transfers are voluntarily made by, and accepted from, a governmental entity that is a participating Medicaid managed care provider or that contracts with such a participating provider under an interlocal agreement, to make increased capitation payments to the requisite Medicaid managed care organizations to be used to pay the participating provider in accordance with an enhanced fee schedule establishing a minimum reimbursement rate;
- requires the executive commissioner of HHSC by rule to adopt the enhanced fee schedule;
- requires HHSC to include a provision in each contract with a Medicaid managed care organization that requires the organization to pay reimbursement rates to participating providers in accordance with that schedule;
- sets out additional requirements and conditions regarding the increased capitation payments, the enhanced fee schedule, reimbursements to a participating provider under the program, and federal matching money obtained as a result of an intergovernmental transfer; and
- sets out provisions regarding compliance by a participating provider, governmental entity, and Medicaid managed care organization with any applicable requests for information or data requirements necessary for federal approval for program implementation and necessary for program implementation.

H.B. 2409 prohibits HHSC from using general revenue to administer a supplemental payment program or provide reimbursements under such a program. The bill requires a governmental entity that is a participating Medicaid managed care provider or that contracts with a participating provider under an interlocal agreement, as a condition of participating providers receiving supplemental payments under the Medicaid fee-for-service program or the Medicaid managed care program, as applicable, to enter into and maintain an agreement with HHSC to provide the nonfederal share of the supplemental payments by certifying expenditures to the commission and to provide the nonfederal share of the increased capitation payments by making the intergovernmental transfers in accordance with the bill's provisions and to provide funding necessary to pay the cost of administering the supplemental payment program under the bill's provisions.

EFFECTIVE DATE

September 1, 2019.