

**SUBJECT:** Nursing-home renal patient access to the Medical Transportation Program

**COMMITTEE:** Select Committee on State Health Care Expenditures — committee substitute recommended

**VOTE:** 7 ayes — Delisi, Gutierrez, Crownover, Deshotel, Harper-Brown, Miller, Uresti

0 nays

4 absent — Berman, Capelo, Truitt, Wohlgemuth

**WITNESSES:** For — None

Against — None

On — Aurora LeBrun, Health and Human Services Commission

**BACKGROUND:** Medicaid is the state-federal health insurance program for low-income, elderly, and disabled patients. Medicaid funds reimburse health-care service providers, such as nursing facilities and ambulance services, for authorized expenses incurred by Medicaid recipients. The Texas Department of Health (TDH) oversees the Medical Transportation Program (MTP), which transports recipients to appointments for routine treatment and services. The Department of Human Services (DHS) makes rules regarding Medicaid reimbursement to nursing facilities. The Health and Human Services Commission (HHSC) analyzes costs and determines rates of reimbursement.

**DIGEST:** CSHB 3485 would specify that rules governing the MTP could not prohibit a Medicaid recipient from receiving transportation services to obtain renal dialysis treatment on the basis that the recipient lived in a nursing home. An affected agency would have to request any necessary federal waiver or permit and could not implement the bill's provisions until the waiver or permit was granted. The bill would take effect September 1, 2003.

**SUPPORTERS SAY:** Between 3,000 and 5,000 Medicaid recipients in Texas require regular kidney dialysis treatments to stay alive. Many of them live in nursing homes, whose

Medicaid reimbursement rates are supposed to include nonemergency transportation costs under DHS regulations. However, HHSC has not factored these costs into its nursing-home rate analysis used to calculate Medicaid reimbursement. As a result, the MTP does not serve clients in nursing homes.. To accommodate clients who are renal patients, many nursing homes have ceased transporting residents to and from dialysis in nursing-home vehicles and instead have resorted to hiring ambulances, even though such highly specialized vehicles are much more expensive and usually not medically necessary.

By requiring TDH to change its rules to allow the use of MTP funds to pay for trips needed by nursing-home renal patients, CSHB 3485 would save the state's Medicaid program millions of dollars each year in reimbursement costs for acute care, some of which contractors probably have inflated and some of which may be fraudulent. Nonemergency ambulance service can cost as much as \$300 per round trip and can total \$46,000 per patient a year, compared to MTP trips costing about \$5,600 per patient a year. For every 100 dialysis patients served by the MTP, the state would save at least \$4 million per year, according to HHSC.

The fiscal note does not reflect this benefit because time did not permit sufficient additional research to corroborate the positive impact of the change made by the committee substitute. CSHB 3485 would limit the guarantee of MTP access to renal patients in nursing homes, because these patients constitute the most expensive and abused part of Medicaid transportation assistance. If this measure were enacted and produced savings as expected, other patients could be added next session, if necessary. Including all nursing-home residents at this time might increase MTP costs.

The bill would enact a variation of a recommendation in the comptroller's 2003 e-Texas report, *Limited Government, Unlimited Opportunity*.

**OPPONENTS  
SAY:**

The bill should not restrict participation in the MTP to dialysis patients living in nursing homes. Other patients are equally deserving of transportation assistance, and including them also could save the state money.

**NOTES:**

The committee substitute changed the filed version of HB 3485 by limiting the bill's effect to renal dialysis patients and by requiring the agency to obtain

necessary federal approval before implementing the bill.

On April 28, the House passed HB 2292 by Wohlgemuth, which, among other provisions, would direct TDH, DHS, the Department of Protective and Regulatory Services, Texas Rehabilitation Commission, Texas Commission on Alcohol and Drug Abuse, Department of Mental Health and Mental Retardation, Commission for the Blind, and Department on Aging to contract with the Texas Department of Transportation to provide transportation services for eligible clients. An eligible nursing-home resident could not be denied access to transportation services. The MTP would be transferred from TDH to HHSC on September 1, 2004. HB 2292 is pending in the Senate Finance Committee.