

BILL ANALYSIS

Senate Research Center
79R13233 E

C.S.S.B. 1188
By: Nelson
Health & Human Services
4/15/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1188 directs the Health and Human Services Commission to make a number of reforms intended to streamline the administration of, maximize funding for, improve recipient outcomes in, and increase the cost effectiveness of the Medicaid program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 5 (Section 533.0072, Government Code), of this bill.

Rulemaking authority previously granted to Health and Human Services Commission or an agency operating part of the medical assistance program, as appropriate, is transferred to the executive commissioner of the Health and Human Services Commission in SECTION 6 (Section 32.027, Human Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

[While the statutory reference in this bill is to the Texas Department of Human Services, the following amendments affect the Health and Human Services Commission, as the successor agency to the Texas Department of Human Services.]

SECTION 1. COMMUNITY COLLABORATION. Amends Subchapter A, Chapter 531, Government Code, by adding Section 531.020, as follows:

Sec. 531.020. OFFICE OF COMMUNITY COLLABORATION. Requires the executive commissioner of the Health and Human Services Commission (executive commissioner) (HHSC) to establish within HHSC an office of community collaboration. Sets forth certain responsibilities for said office.

SECTION 2. COLLECTION AND ANALYSIS OF INFORMATION. (a) Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.02141, as follows:

Sec. 531.02141. MEDICAID INFORMATION COLLECTION AND ANALYSIS. (a) Requires HHSC to make every effort to improve data analysis and integrate available information associated with the Medicaid program. Requires HHSC to use the decision support system in HHSC's center for strategic decision support for this purpose and to modify or redesign the system to allow for the data collected by the Medicaid program to be used more systematically and effectively for Medicaid program evaluation and policy development. Requires HHSC to develop or redesign the system as necessary to ensure that the system meets certain requirements.

(b) Requires HHSC to ensure that all Medicaid data sets created or identified by the decision support system are made available on the Internet to the extent not prohibited by federal or state laws regarding medical privacy or security. Requires, if privacy concerns exist or arise with respect to making the data sets available on the Internet, the system and HHSC to make every effort to make the data available through that means either by removing information by which particular individuals may be identified or by aggregating the data in a manner so that individual records cannot be associated with particular individuals.

(b) Requires HHSC to allow for sufficient opportunities for stakeholder input in the modification or redesign of the decision support system in the HHSC's center for strategic decision support as required by Section 531.02141, Government Code, as added by this section. Authorizes HHSC to provide these opportunities through certain activities.

SECTION 3. ADMINISTRATIVE PROCESSES AND AUDIT REQUIREMENTS. (a) Amends Subchapter B, Chapter 531, Government Code, by adding Sections 531.02411 and 531.02412, as follows:

Sec. 531.02411. STREAMLINING ADMINISTRATIVE PROCESSES. Requires HHSC to make every effort using HHSC's existing resources to reduce the paperwork and other administrative burdens placed on Medicaid recipients and providers and other participants in the Medicaid program and to use technology and efficient business practices to decrease those burdens. Requires HHSC to make every effort to improve the business practices associated with the administration of the Medicaid program by certain methods HHSC determines are cost-effective.

Sec. 531.02412. SERVICE DELIVERY AUDIT MECHANISMS. Requires HHSC to make every effort to ensure the integrity of the Medicaid Program. Requires HHSC to take certain steps to ensure that integrity.

(b) Requires HHSC to examine options for standardizing and simplifying the interaction between the Medicaid system and providers regardless of the service delivery system through which a provider provides services and, using existing resources, implement any options that are anticipated to increase the quality of care and contain costs.

SECTION 4. LONG-TERM CARE SERVICES. (a) Amends Subchapter B, Chapter 531, Government Code, by adding Sections 531.083 and 531.084, as follows:

Sec. 531.083. MEDICAID LONG-TERM CARE SYSTEM. (a) Requires HHSC to ensure that the Medicaid long-term care system provides the broadest array of choices possible for recipients while ensuring that the services are delivered in a manner that is cost-effective and makes the best use of available funds. Requires HHSC to take certain steps to make every effort to improve the quality of care for recipients of Medicaid long-term care services.

Sec. 531.084. MEDICAID LONG-TERM CARE COST CONTAINMENT STRATEGIES. (a) Requires HHSC to make every effort to achieve cost efficiencies within the Medicaid long-term care program. Requires HHSC to take certain steps to achieve those efficiencies.

(b) Requires the executive commissioner and the commissioner of the Department of Aging and Disability Services to jointly appoint persons to serve on a work group to assist HHSC in developing the required fee schedule for reimbursable incurred medical expenses for dental services controlled in long-term care facilities. Requires the work group to consist of providers of long-term care services, including dentists and long-term care advocates.

(c) Requires HHSC to make certain considerations in developing the required fee schedule.

(d) Requires HHSC to annually update the required fee schedule.

(b) Requires HHSC to examine possibilities regarding implementing certain benefit programs.

(c) Requires HHSC to study and determine whether polypharmacy reviews for Medicaid recipients receiving long-term care services could identify inappropriate pharmaceutical usage patterns and lead to controlled costs.

(d) Requires HHSC to make every effort to expedite the approval of dental treatment plans and the approval and payment of reimbursable incurred medical expenses for dental services provided to residents of long-term care facilities prior to developing and adopting the required fee schedule.

SECTION 5. MEDICAID MANAGED CARE. (a) Amends Section 533.005(a), Government Code, to include a requirement in a contract between a managed care organization and HHSC that the organization use advanced practice nurses in addition to physicians as primary care providers to increase the availability of primary care providers in the organization's provider network. Makes a nonsubstantive change.

(b) Amends Subchapter A Chapter 533, Government Code, by adding Sections 533.0071 and 533.0072, as follows:

Sec. 533.0071. ADMINISTRATION OF CONTRACTS. Requires HHSC to make every effort to improve the administration of contracts with managed care organizations. Requires HHSC to take certain steps to improve the administration of the contracts.

Sec. 533.0072. INTERNET POSTING OF SANCTIONS IMPOSED FOR CONTRACTUAL VIOLATIONS. (a) Requires HHSC to prepare and maintain a record of each enforcement action initiated by it that results in a sanction, including a penalty, being imposed against a managed care organization for failure to comply with the terms of a contract to provide health care services to recipients through a managed care plan issued by the organization.

(b) Sets forth certain requirements for the record.

(c) Requires HHSC to post and maintain the records required by this section on HHSC's website in English and Spanish. Requires the records to be posted in a format that is readily accessible to and understandable by a member of the public. Requires HHSC to update the list of records on the website at least quarterly.

(d) Prohibits HHSC from posting information under this section that relates to a sanction while the sanction is the subject of an administrative appeal or judicial review.

(e) Prohibits a record prepared under this section from including information that is excepted from disclosure under Chapter 552 (Public Information).

(f) Requires the executive commissioner to adopt rules as necessary to implement this section.

(c) Requires HHSC to re-evaluate the case management fee used in the primary care case management program and to make recommendations to the Legislative Budget Board if HHSC finds that a different rate is appropriate.

(d) Requires HHSC to examine certain information regarding the cost-effectiveness and operational efficiency of the primary care case management program.

(e) Requires HHSC to make every effort to improve the delivery of health care services to recipients enrolled in the Medicaid managed care program by evaluating certain actions for a determination of cost-effectiveness and pursuing those actions if they are determined to be cost-effective.

(f) Makes application of Section 533.005, Government Code, as amended by this section, prospective.

(g) Makes application of Section 533.0072, Government Code, as added by this section, prospective.

SECTION 6. SELECTION OF MEDICAL ASSISTANCE PROVIDERS. Amends Section 32.027(f), Human Resources Code, to authorize the executive commissioner, rather than HHSC or an agency operating part of the medical assistance program, as appropriate, by rule to develop a system of selective contracting with health care providers for the provision of nonemergency inpatient hospital services to a recipient of medical assistance under this chapter. Makes a conforming change.

SECTION 7. OPTIMIZATION OF CASE MANAGEMENT SYSTEMS. (a) Amends Subchapter B, Chapter 32, Human Resources Code, by adding 32.0551, as follows:

Sec. 32.0551. OPTIMIZATION OF CASE MANAGEMENT SYSTEMS. Sets forth certain requirements of HHSC pertaining to case management initiatives across HHSC and health and human services agencies.

(b) Requires HHSC to evaluate the cost-effectiveness of developing intensive case management and targeted interventions for all Medicaid recipients who are aged, blind, or disabled.

(c) Requires HHSC to identify Medicaid programs or protocols in existence on the effective date of this section that are not resulting in their anticipated cost savings or quality outcomes. Requires HHSC to enhance or replace these programs or protocols with targeted strategies that have demonstrated success in improving coordination of care and cost savings within similar Medicaid recipient populations.

(d) Requires HHSC to conduct a study regarding the cost-effectiveness of making certain inclusions within Medicaid disease management programs in existence on the effective date of this section. Requires HHSC to review certain information in studying the cost-effectiveness of including other diseases, conditions, and strategies.

(e) Requires HHSC to conduct a study to determine the feasibility of combining certain quality and cost-control measures implemented with respect to the Medicaid program under a certain single federal waiver. Requires HHSC to develop the combined program if HHSC determines that the combination is feasible.

SECTION 8. EDUCATION CAMPAIGN. (a) Amends Subchapter B, Chapter 32, Human Resources Code, by adding Section 32.071, as follows:

Sec. 32.071. RECIPIENT AND PROVIDER EDUCATION. (a) Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to develop and implement a comprehensive medical assistance education campaign for recipients and providers to ensure that care is provided in such a way as to improve patient outcomes and maximize cost-effectiveness. Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to ensure that educational information developed under this section is demographically relevant and appropriate for each recipient or provider to whom the information is provided.

(b) Requires the comprehensive medical assistance education campaign to include elements designed to encourage recipients to obtain, maintain, and use a medical home and to reduce their use of high-cost emergency department services for conditions that can be treated through primary care or nonemergency physicians or other providers. Requires the campaign to include the dissemination of educational information through newsletters and emergency department staff members and at local health fairs, unless HHSC determines that these methods of dissemination are not effective in increasing recipients' appropriate use of the health care system.

(c) Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to evaluate whether certain risk groups may disproportionately increase their appropriate use of the health care system as a result of targeted elements of an education campaign. Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to

develop and implement the appropriate targeted educational elements, if HHSC, or an agency operating part of the medical assistance program, as appropriate, determines that certain risk groups will respond with more appropriate use of the system.

(d) Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to develop a system for reviewing recipient prescription drug use and educating providers with respect to that drug use in a manner that emphasizes reducing inappropriate prescription drug use and the possibility of adverse drug interactions.

(e) Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to coordinate the medical assistance education campaign with certain area health education centers, federally qualified health centers and other stakeholders who use public funds to educate recipients and providers about the health care system in this state. Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to make every effort to maximize state funds by working through these partners to maximize receipt of additional federal funding for administrative and other costs.

(f) Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to coordinate with certain other entities as appropriate to ensure certain personnel are used in the medical assistance education campaign.

(g) Requires HHSC to ensure that all state agencies that work with recipients, all administrative persons who provide eligibility determination and enrollment services, and all service providers use the same curriculum for recipient and provider education, as appropriate.

(b) Requires HHSC, in developing the comprehensive medical assistance education campaign under Section 32.071, Human Resources Code, as added by this section, to ensure that private entities participating in the Medicaid program, including vendors providing claims administration, eligibility determination, enrollment services, and managed care services, are involved to the extent those entities' participation is useful.

(c) Requires HHSC, or an agency operating part of the medical assistance program, as appropriate, to identify all funds being spent on the effective date of this section on education for Medicaid recipients. Requires HHSC to integrate these funds into the comprehensive medical assistance education campaign under Section 32.071, Human Resources Code, as added by this section.

SECTION 9. MAXIMIZATION OF FEDERAL RESOURCES. Requires HHSC to make every effort to maximize the receipt and use of federal health and human services resources for the office of community collaboration established under Section 531.020, Government Code, as added by this Act, and the decision support system in HHSC's center for strategic decision support.

SECTION 10. IMPLEMENTATION; WAIVER. (a) Requires HHSC to make every effort to take each action and implement each reform required by this Act as soon as possible. Requires HHSC to take each action and implement each reform required by this Act not later than September 1, 2007, except as otherwise provided by this subsection and Subsection (d) of this section. Provides that any action of HHSC taken to justify implementing or ignoring the reforms required by this Act must be defensible, but need not be exhaustive.

(b) Requires HHSC, not later than December 1, 2005, to submit a report to the governor and to the presiding officers of the standing committees of the senate and house of representatives having primary jurisdiction over health and human services that specifies the strategies the commission or an appropriate health and human services agency, as defined by Section 531.001, Government Code, will use to examine, study, evaluate, or otherwise make a determination relating to a reform or take another action required by this Act.

(c) Requires HHSC, except as provided by Subsection (b) of this section, for each provision of this Act that requires or a health and human services agency, as defined by Section 531.001, Government Code, to examine the possibility of making changes to the Medicaid program, to study an aspect of the Medicaid program, to evaluate the cost-effectiveness of a proposed reform, or to otherwise make a determination before implementing a reform, HHSC to submit a report to the governor and to the presiding officers of the standing committees of the senate and house of representatives having primary jurisdiction over health and human services that includes the criteria used and the results obtained by HHSC or a health and human services agency in taking the required action. Requires the report to be delivered not later than September 1, 2007.

(d) Authorizes delay of implementation of any provision of this Act until any necessary federal waivers or authorizations are obtained.

SECTION 11. EFFECTIVE DATE. Effective date: September 1, 2005.