

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 531
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Health & Human Services
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The billing coordination system was established through passage of S.B. 10 by the 80th Legislature, Regular Session, 2007, allowing the Health and Human Services Commission (HHSC) to implement a system that identifies when Medicaid should and should not pay for claims on acute care. In the first months after being established, HHSC estimates that the billing coordination system identified more than 90,000 Medicaid patients in Texas who had private or group health insurance coverage.

The need for long term care increases as the population of Texas continues to age. Texas can prevent unnecessary waste in Medicaid spending by processing all claims, including long term care, through the billing coordination system.

C.S.S.B. 531 requires HHSC, if cost-effective and feasible, to contract to expand the Medicaid billing coordination system to process claims for all other health care services.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the executive commissioner of the Health and Human Services Commission is modified in SECTION 1 (Section 531.02413, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 531.02413, Government Code, as added by Chapter 268 (S.B. 10), Acts of the 80th Legislature, Regular Session, 2007, by adding Subsection (a-1) and amending Subsections (b) and (c), as follows:

(a-1) Requires the Health and Human Services Commission (HHSC), if cost-effective and feasible, to contract to expand the Medicaid billing coordination system described by Subsection (a) to process claims for all other health care services provided through the Medicaid program in the manner claims for acute care services are processed by the system under Subsection (a). Provides that this subsection does not apply to claims for health care services provided through the Medicaid program if, before September 1, 2009, those claims were being processed by an alternative billing coordination system.

(b) Requires the executive commissioner of HHSC (executive commissioner), if cost-effective, to adopt rules for the purpose of enabling the system described by Subsection (a) to identify an entity with primary responsibility for paying a claim that is processed by the system under Subsection (a) and establish reporting requirements for any entity that may have a contractual responsibility to pay for the types of services that are provided under the Medicaid program and the claims for which are processed by the system under Subsection (a), rather than pay for the types of acute care services provided under the Medicaid program.

(c) Requires an entity that holds a permit, license, or certificate of authority issued by a regulatory agency of the state to allow a contractor under this section, rather than under Subsection (a), access to databases to allow the contractor to carry out the purposes of this section, subject to the contractor's contract with HHSC and rules adopted under this section, and is subject to an administrative penalty or other sanction as provided by the

law applicable to the permit, license, or certificate of authority for a violation by the entity of a rule adopted under this section.

SECTION 2. Authorizes HHSC to seek to amend an existing contract entered into under Section 531.02413, Government Code, as added by Chapter 268 (S.B. 10), Acts of the 80th Legislature, Regular Session, 2007, or to enter into a new contract, to implement the changes made to that section by this Act.

SECTION 3. Requires HHSC, 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 waivers or authorizations are granted.

SECTION 4. Effective date: September 1, 2009.