

By: Shaheen

H.B. No. 2603

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a direct primary care model pilot program for Medicaid.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Subchapter B, Chapter 531, Government Code, is  
5 amended by adding Section 531.024151 to read as follows:

6 Sec. 531.024151. DIRECT PRIMARY CARE MODEL PILOT PROGRAM  
7 FOR MEDICAID. (a) In this section:

8 (1) "Direct fee" means a fee charged by a physician to  
9 a patient or a patient's designee for primary medical care services  
10 provided by, or to be provided by, the physician to the  
11 patient. The term includes a fee in any form, including a:

12 (A) retainer;

13 (B) membership fee;

14 (C) subscription fee; or

15 (D) fee paid under a medical service agreement.

16 (2) "Direct primary care," "medical service  
17 agreement," "physician," and "primary medical care service" have  
18 the meanings assigned by Section 162.251, Occupations Code.

19 (3) "Participating physician" means a physician  
20 participating in the pilot program.

21 (4) "Participating recipient" means a Medicaid  
22 recipient participating in the pilot program.

23 (5) "Pilot program" means the direct primary care  
24 model pilot program established under this section.

1       (b) The commission shall develop a pilot program to  
2 implement a direct primary care model in Medicaid through which a  
3 Medicaid recipient enters into a medical service agreement with a  
4 physician for the provision of primary medical care services in  
5 exchange for a direct fee that is paid on a monthly basis.

6       (c) The commission shall implement the pilot program  
7 statewide.

8       (d) Under the pilot program, a participating physician:

9           (1) is not required to enroll as a Medicaid provider;  
10 and

11           (2) notwithstanding Subdivision (1), has the  
12 authority of ordering, referring, and prescribing Medicaid  
13 providers for purposes of the pilot program.

14       (e) To be eligible to participate in the pilot program, a  
15 physician must be practicing under a direct primary care model that  
16 does not accept payment or otherwise seek reimbursement for primary  
17 medical care services from a third-party insurer or managed care  
18 organization.

19       (f) A Medicaid recipient must be younger than 65 years of  
20 age to be eligible to participate in the pilot program. The  
21 recipient or the recipient's parent or legally authorized  
22 representative on behalf of the recipient must enter into a medical  
23 service agreement with a physician eligible to participate in the  
24 pilot program. After the commission verifies that the recipient or  
25 the recipient's parent or legally authorized representative has  
26 entered into the agreement, the commission shall pay the lesser of:

27           (1) the amount of the direct fee required under the

1 agreement; or

2 (2) \$40 per month for a recipient who is 18 years of  
3 age or younger, or \$70 per month for a recipient who is at least 19  
4 years of age but younger than 65 years of age.

5 (g) A participating recipient shall pay the amount of the  
6 direct fee required under the medical service agreement that  
7 exceeds the maximum fee amount the commission pays under Subsection  
8 (f).

9 (h) The commission may pay the amount of the direct fee  
10 under a medical service agreement directly to the participating  
11 recipient, who is then responsible for paying the participating  
12 physician under the agreement, or may establish a system under  
13 which the commission pays the fee directly to the physician, either  
14 by depositing the fee into an account established for the physician  
15 for that purpose or by another means the commission determines most  
16 appropriate. If cost-effective, the commission may issue an  
17 electronic benefits transfer card to a participating recipient who  
18 shall use the card to pay the amount of the direct fee under an  
19 agreement.

20 (i) To the extent permitted by the contract entered into  
21 between the commission and a Medicaid managed care organization,  
22 the commission shall fund the direct fee required under a medical  
23 service agreement by making an appropriate reduction in the  
24 capitation rate paid to the organization that issued the managed  
25 care plan in which the participating recipient is enrolled.

26 (j) A participating recipient shall immediately notify the  
27 commission when a medical service agreement terminates.

1        (k) Not later than December 31, 2024, the commission shall  
2 prepare and submit a report to the legislature that includes:

3            (1) a summary of the commission's evaluation of the  
4 effect of the pilot program on the provision of primary medical care  
5 services and Medicaid costs; and

6            (2) a recommendation as to whether the pilot program  
7 should be continued or terminated.

8            (l) The executive commissioner shall adopt rules as  
9 necessary to implement this section.

10          (m) The pilot program terminates and this section expires  
11 September 1, 2025.

12          SECTION 2. If before implementing any provision of this Act  
13 a state agency determines that a waiver or authorization from a  
14 federal agency is necessary for implementation of that provision,  
15 the agency affected by the provision shall request the waiver or  
16 authorization and may delay implementing that provision until the  
17 waiver or authorization is granted.

18          SECTION 3. This Act takes effect September 1, 2021.