

Amend CSSB 1863 (House committee printing) in Section 7.02 of the bill as follows:

(1) In the recital to the section (page 28, line 19), strike "Subsections (f) and (g)" and substitute "Subsections (f)-(i)".

(2) At the end of the section (page 29, between lines 5 and 6), insert:

(h) The commission shall establish a pilot project to streamline and expedite the cost reporting and auditing processes for intermediate care facilities for the mentally retarded that are not operated by the state and for the home and community-based services waiver program. The commission shall commence the pilot project in time to capture financial information for the 2005 fiscal year. The commission shall ensure that the 2005 fiscal year information is available for use in the 2006 legislative appropriations process for the 80th state legislative session. The commission may consider providing in the pilot program incentives for providers to submit independently audited financial information instead of reviewed financials. The pilot project must include the following features:

(1) a significantly simplified cost reporting process that is similar to standard financial reporting expectations in banking and that includes both allowable and non-allowable costs;

(2) reimbursement regulations that eliminate all minimum spending requirements, to ensure simplicity;

(3) rules that require providers to include with all reports submitted a financial review performed by an independent accounting firm licensed under Chapter 901, Occupations Code, in accordance with generally-accepted accounting principles and with commission guidelines; and

(4) provisions for filing financial information electronically that are:

(A) for the first year of the pilot program, optional; and

(B) after the first anniversary of the pilot program, mandatory.

(i) In developing the pilot project described by Subsection (h), the commission shall:

(1) revise reimbursement rules as necessary to implement the pilot program; and

(2) develop the simplified reporting process and system by a collaborative process involving:

(A) providers of services in intermediate care facilities for the mentally retarded and home and community-based services waiver program services; and

(B) accounting firms familiar with intermediate care facilities for the mentally retarded and the home and community-based services waiver program.