

BILL ANALYSIS

H.B. 1502
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Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Since the 1980's, federal law has required that state Medicaid programs pay any applicable deductible or coinsurance amounts for Medicare services provided to individuals who are dually eligible for both the Medicare and Medicaid programs. However, since 1997, federal statute has permissively allowed states to reduce or eliminate those deductible or coinsurance payments to an amount which, when combined with the Medicare payment, would equal the rate set by the state for a comparable Medicaid covered service.

HB 2292, as passed by the 78th Legislative session, included language that was intended to require the state Medicaid program to eliminate the payments of coinsurance or deductible amounts that would otherwise be required to be paid on behalf of dually eligible persons, if the rate for a comparable Medicaid covered service were lower than the amount paid by Medicare. Providers of such services would in effect see the Medicare fee schedules for dually eligible persons "re-priced" to the lower Medicaid rate, in some cases substantially lower. The requirement for "comparability" of services could severely restrict the extent to which this provision applies.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill requires the state Medicaid program to eliminate the payments of coinsurance or deductible amounts that would otherwise be required to be paid on behalf of dually eligible persons, if the rate for a comparable Medicaid covered service were lower than the amount paid by Medicare.

EFFECTIVE DATE

September 1, 2005.