

BILL ANALYSIS

C.S.H.B. 2479
By: Delisi
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

State spending on health care, especially for Medicaid, is rising rapidly. It is important that the State of Texas see better health care results for all these taxpayer dollars spent. This bill takes several steps to implement cost containment strategies rooted in attaining better health care outcomes. The bill also seeks to expand the role of faith and community-based organizations in forming partnerships with state agencies to more effectively meet the social service needs of Texans.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of Health and Human Services in SECTION 1.03 of this bill.

It is the committee's opinion that rulemaking authority is expressly granted to the Health and Human Services Commission in SECTION 2.02 of this bill.

ANALYSIS

The substitute creates the office of medical technology within the Health and Human Services Commission, which is required to look into new developments in medical technology and propose methods for implementation.

The substitute allows the executive commissioner of the HHSC to adopt reimbursement rates for services provided to recipients with certain health conditions if these services are provided as an alternative to hospitalization. These reimbursement rates may also be adopted for group appointments.

The bill provides guidelines for Medicaid reimbursement for medical consultation provided by a physician or other health care professional using the internet as an alternative to in-person consultations. This may be done only after the Centers for Medicare and Medicaid Services develop an appropriate Current Procedural Terminology code for services provided over the internet. The executive commissioner of HHSC is authorized to implement a pilot program to test whether internet consultation is a cost-effective alternative, but is not required to implement a pilot prior to providing this service statewide.

The substitute requires the HHSC to develop a plan to reduce the use of hospital emergency rooms by recipients under the medical assistance program. It provides elements which the plan is authorized to incorporate, including suggestions for pilot programs. The pilot programs are to include: aspects that provide program participants access to bilingual health services providers and provides information on how to access other available healthcare; financial incentives for health care providers, other than hospitals, that provide treatment outside of normal business hours to divert those recipients from hospital emergency rooms; payment of a nominal referral fee to hospital emergency rooms that provide an initial medical evaluation and then refer the recipient to an appropriate level of health care; provides information to a recipient, by telephone or mail, on ways to secure a medical home to avoid unnecessary treatment at hospital emergency rooms if they have accessed emergency rooms three times during a six-month period; development of a literacy program through partnerships between the HHSC and other state agencies and private entities to develop, distribute, and otherwise teach basic health care information to parents of young children who are recipients under the medical assistance

program; and other initiatives developed and implemented in other states that have shown success in reducing the incidence of unnecessary treatment in hospital emergency rooms.

The bill requires the HHSC to develop a proposal for providing higher reimbursement rates to primary case management providers who treat program recipients with chronic conditions in accordance with evidence-based, nationally accepted best practices and standards of care. The HHSC is required to define the parameters of the program such as the types of chronic health conditions the program would target, best practices and standards of care that must be followed for a provider to obtain a higher reimbursement rate, and the types of providers to whom the higher reimbursement rate would be offered under the program. The substitute sets a deadline of December 1, 2006, for the HHSC to report on the anticipated effect, cost-effectiveness, and recommendations of the reimbursement rates. The requirements for this proposal expire September 1, 2007.

The substitute eliminates the requirement that drugs must be sealed in the manufacturer's original packaging, and clarifies that the packaging is not required to be the manufacturer's original unless that is required by federal law.

The substitute requires the HHSC to explore the cost and feasibility of offering: a stipend paid by the Medicaid program to cover the cost of a private health insurance plan as an alternative to traditional Medicaid services, premium payment assistance through the Medicaid program for long-term care insurance for a person with a health condition that increases the likelihood that the person will need long-term care in the future, a long-term care partnership between the Medicaid program and a person under which the person pays the premiums for long-term care insurance and the Medicaid program provides continued coverage after benefits under that insurance are exhausted. The HHSC is also required to consider whether other state incentives that could encourage persons to purchase health insurance plans or long-term care insurance are feasible, and may include offering tax credits to businesses to increase the availability of affordable insurance. The HHSC is required to report to the 80th Legislature if it determines legislative changes are necessary.

The substitute establishes the Texas Mentoring Initiative, to be established and administered by the governor to fund activities that create and expand mentoring opportunities, promote responsible fatherhood and healthy marriages, and increase the capacity of faith- and community-based organizations to provide mentoring services and increase their participation, subject to the availability of appropriated funds. To implement the Texas mentoring initiative, the office of the governor may coordinate with, the HHSC, the Office of the Attorney General, the Texas Education Agency, the Texas Workforce Commission, and other appropriate state agencies as well as federal agencies and political subdivisions of this state, faith- and community-based organizations, and other persons with expertise or interest in mentoring services. The office of the governor must provide grants to fund activities that expand mentoring opportunities, provide mentoring to at-risk youth to help those youth with leadership skills and personal success, serve children of persons who are incarcerated, improve school attendance and performance, promote responsible fatherhood, expand the involvement of businesses, schools, and faith- and community-based organizations in providing mentoring services and increase partnership opportunities between those entities and state government, discourage use of drugs and alcohol by youth, promote healthy marriages through education and marriage skills programs, and support the renewing our communities account.

The substitute requires the HHSC to establish a searchable internet database of state-wide volunteer opportunities to assist state agencies and to faith- and community-based organizations that partner with a state agency in delivering services, and for each state agency that has a faith- and community-based liaison to provide regularly updated information on volunteer opportunities. It gives rulemaking authority to the HHSC to establish minimum requirements the state agency or faith- or community-based organization must meet to submit a volunteer opportunity on the database, including the types of opportunities and minimum information. Rulemaking authority is also granted for the method by which a prospective volunteer may contact a person at the agency or organization that lists an opportunity on the database. The HHSC may provide links to other websites that list volunteer opportunities with charitable organizations and create a downloadable link to the database that another Internet website may

use to refer others to the database, and may directly operate and maintain the database, or to contract or partner to do so. The HHSC is required to establish this database by January 1, 2006.

It defines community-based and faith-based organizations. The substitute states the purpose of Chapter 535 is to strengthen faith- and community-based organizations to provide services to the people of this state. This does not exempt a faith- or community-based organization from any state or federal law, does not endorse any beliefs or doctrines of a faith-based organization, and in compliance with federal law.

It requires the executive commissioner, in consultation with the governor, to designate one employee from each health and human services agency, and the chief administrative officer, in consultation with the governor, of the Office of Rural Community Affairs, the Texas Commission on Environmental Quality, the Texas Department of Criminal Justice, the Texas Department of Housing and Community Affairs, the Texas Education Agency, the Texas Juvenile Probation Commission, the Texas Veterans Commission, the Texas Workforce Commission, the Texas Youth Commission, and other state agencies determined by the governor to serve as a liaison for faith- and community-based organizations. The duties of a liaison include, identifying and removing unnecessary barriers to partnerships, providing information and training to faith- and community-based organizations, identifying effective practices, conducting outreach to organizations that have not traditionally formed partnerships with the agency, coordinating and providing information, as well as assistance to the governor's office of faith-based and community initiatives, and attending conferences sponsored by federal agencies, offices and relevant entities to remain informed.

The substitute creates the Interagency Coordinating Group, composed of the liaisons to remove unnecessary interagency barriers to partnerships between state agencies. The liaison must provide periodic reports to the designator on schedule to be determined, report annually to the governor's office of faith-based and community initiatives regarding liaison duties, as well as making the report available through posting on the governor's Internet website. It also requires that the executive commissioner of HHSC establish a center for faith- and community-based initiatives within the HHSC and provide appropriate staff, administrative support services and other resources to enable the center to perform its duties, and in consultation with the governor, appoint a director for the center. The duties of the center include the same duties as liaisons, with the addition of developing proposals for pilot programs, coordinating the use of volunteers, and serving as an informational resource for the legislature on ongoing efforts. The director of the center must provide periodic reports to the executive commissioner regarding the center's performance of duties and report annually to the governor's office of faith-based and community initiatives on the performance of duties and performance measures determined by the center, making the report to the governor available to the public.

The substitute creates the Renewing Our Communities Account in the general revenue fund to be used for strengthening faith- and community-based organizations that provide charitable services, to increase the effectiveness of those organizations, forge stronger partnerships between those organizations and state government, and create a funding mechanism that builds on the established efforts of those organizations and operates to create new partnerships in local communities. Money in the account comes from legislative appropriations, gifts, grants, and donations, and interest earned on money in the account. The purpose of the account is to increase the capacity of and strengthen faith- and community-based organizations, assist local governments in creating local offices, foster better partnerships, leverage state and local resources to acquire federal or private grant funds. The HHSC must develop and implement a competitive process for awarding grants, oversee the delivery of training and assistance, limiting grant awards used for capacity-building to small and medium sized organizations, establish general state priorities, and monitor performance and outcome measures of award recipients. The HHSC may directly or through agreements, assist these organizations with the writing or managing of grants, legal assistance, referrals on business matters, building the organization's capacity, facilitate networking among organizations, conduct needs assessments, identification of best practices, research organizational capacity, award grants for local offices, assist local governments in creating better partnerships, use the account for matching funds from federal or private grant programs, and to contract with the governor's office of faith-based and community initiatives to administer the program or perform duties.

The substitute creates the Faith- and Community-Based Initiatives Advisory Committee with members of the community appointed by the executive commissioner, which is required to make recommendations relating to the executive commissioner's powers and duties with respect to the account. The advisory committee must meet at least twice each calendar year, unless there are insufficient funds to perform duties. The substitute sets the deadlines for the selection of liaisons not later than September 1, 2005, a center director not later than September 15, 2005, and for an initial report to the governor's office on December 15, 2005 listing performance measures that are to be included in the annual report to the governor.

The substitute requires a state agency, if it determines a waiver or authorization from a federal agency is necessary, to request the waiver and delay implementation until the waiver is granted.

EFFECTIVE DATE

September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modifies the original by making the caption more specific to clarify that the bill relates directly to Medicaid and faith- and community-based initiatives. It changes the Renewing Our Communities Fund to the Renewing Our Communities Account and alters its requirements, including moving it to the general revenue fund from outside the treasury, and eliminating trusteeship for the governor. The substitute also adds the Texas Mentoring Initiative. The substitute makes the requirements for the office of medical technology less specific and eliminates the requirement that the office include the child health plan program in its evaluation. The substitute simplifies the online medical consultation program, includes other health care professionals to those who may provide services through the internet, and allows that the executive commissioner of HHSC is not required to implement a pilot program as a prerequisite to providing the program on a statewide basis. The substitute removes the required elements of the hospital emergency room use reduction initiatives, and instead presents ideas which the plan may include. The substitute requires the HHSC to develop a performance bonus proposal rather than requiring the commission to implement an entire pilot program. It retains the faith- and community-based initiatives proposal, but makes some revisions, including creating the Interagency Coordinating Group and the Faith- and Community-Based Initiatives Advisory Committee. The substitute moves the volunteer database to the Government Code from the Labor Code, moves authority over the database to the HHSC from the Texas Workforce Commission, and expands the requirements for the database. The substitute replaces the pilot program for returning unused drugs with amendments to packaging requirements for the return of unused drugs. The substitute makes minor changes to the section on Medicaid coverage for health insurance premiums. The substitute removes SECTION 4, SECTION 6, SECTION 7, SECTION 10, SECTION 11, SECTION 13, SECTION 14, SECTION 15, SECTION 16, SECTION 17, SECTION 22, and SECTION 23, and renumbers accordingly. The substitute makes other technical and conforming changes.