

BILL ANALYSIS

Senate Research Center
80R12913 KFF-F

H.B. 2540
By: Isett (Nelson)
Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas cost reporting, auditing, and rate-setting processes for certain Medicaid programs are difficult and costly to maintain for providers and the Health and Human Services Commission (HHSC). The system is complex and tends to foster an adversarial relationship between providers and HHSC. Riders in the appropriations bills of the 78th and 79th Legislatures called for reporting, auditing, and rate-setting improvements, but the reports resulting from those riders were not considered to fulfill what the legislature requested in those riders. Implementing a pilot program to address these concerns may prove more effective than attaching another waiver to an appropriations bill.

H.B. 2540 requires HHSC to develop and implement a pilot project to simplify, streamline, and reduce costs associated with the Medicaid cost reporting and auditing process for private ICF-MR (intermediate care facilities for mental retardation) facilities and home and community-based services waiver program providers

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 531.02114, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.02114, as follows:

Sec. 531.02114. PILOT PROGRAM TO SIMPLIFY, STREAMLINE, AND REDUCE COSTS ASSOCIATED WITH MEDICAID COST REPORTING AND AUDITING PROCESS FOR CERTAIN PROVIDERS. (a) Defines "pilot program" and "provider."

(b) Requires the Health and Human Services Commission (HHSC) to develop and implement a pilot project to simplify, streamline, and reduce costs associated with the Medicaid cost reporting and auditing process for private ICF-MR (intermediate care facilities for mental retardation) facilities and home and community-based services waiver program providers (pilot project).

(c) Requires the executive commissioner of HHSC (executive commissioner) by rule, with the assistance of the work group established under Subsection (d), to adopt cost reporting and auditing processes and guidelines similar to standard business financial reporting processes and guidelines. Sets forth requirements for those rules.

(d) Requires HHSC, in developing the pilot program, to establish a work group that reports to the executive commissioner and is responsible for certain tasks set forth in this subsection (work group).

(e) Requires the executive commissioner to determine the number of members of the work group described by Subsection (d). Requires the executive commissioner to include members on the work group who represent certain entities and interested stakeholders.

(f) Requires HHSC to submit a report to the legislature that evaluates the operation of the pilot project and makes recommendations regarding the continuation or expansion of the pilot project not later than September 1, 2012.

(g) Expiration date, this section: September 1, 2013.

SECTION 2. Authorizes a state agency to delay implementing a provision of this Act until a requested federal waiver or authorization necessary to implement that provision is obtained.

SECTION 3. Effective date: September 1, 2007.