

## BILL ANALYSIS

Senate Research Center  
80R14137 ABC-D

C.S.S.B. 1481  
By: Brimer  
Health & Human Services  
5/3/2007  
Committee Report (Substituted)

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas nursing facilities are reimbursed for the care provided to patients under the Texas Index for Level of Effort (TILE) reimbursement system, which assigns a level of care designation for the level of effort necessary to deliver the care and determines the daily rate paid to nursing facilities based on that level of care. Periodically, the Health and Human Services Commission's (HHSC) office of inspector general investigates whether the TILE levels assigned correspond with the actual level of effort. Nursing facilities that disagree with a determination by those entities are authorized to request a reconsideration of the decision. Currently, reconsiderations may take 12 months or longer to be resolved, leaving nursing homes without the funds that were recouped or withheld during the reconsideration.

C.S.S.B. 1481 requires HHSC to assign the nursing facility's determination of appropriate TILE level and pay the associated daily reimbursement rate in the event that HHSC fails to make a reconsideration decision within 30 days. This bill additionally requires HHSC to ensure that the rules governing the TILE reimbursement system do not deny or reduce payments to a nursing facility due to an error, to prohibit recoup or withdrawal of a payment from a nursing facility until a certain date, and to provide a process by which a nursing facility can refund money paid due to a documentation error.

### RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Health and Human Services Commission is modified in SECTION 1 (Section 531.099, Government Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 531, Government Code, by adding Sections 531.099 and 531.0991, as follows:

Sec. 531.099. TILE REIMBURSEMENT PAYMENTS. (a) Defines "TILE classification."

(b) Requires the Health and Human Services Commission (HHSC) to ensure that the rules governing reimbursement payments to nursing facilities based on Texas Index for Level of Effort (TILE) classification meet the following criteria:

(1) Requires that the rules not deny or reduce payments to a nursing home due to certain types of errors in cases in which medically necessary care was provided by the nursing facility and reimbursement is supported by the facility's level of effort.

(2) Requires the rules to prohibit a payment from being recouped or withheld from a nursing home until the date all administrative appeals are exhausted or waived, the date the executive commissioner of HHSC issues a final order following a proposal for decision from the State Office of Administrative Hearings, or the first anniversary of the date the nursing facility filed the appeal of the TILE classification determination, whichever occurs earlier.

(3) Requires the rules to permit a nursing facility to identify documentation errors related to reimbursement payments based on TILE classifications and to provide a process by which the nursing facility is authorized to refund any money that was inappropriately paid as a result of said error.

Sec. 531.0991. RECONSIDERATION OF TILE CLASSIFICATION. (a) Defines "TILE classification."

(b) Requires HHSC, upon receipt of a reconsideration request relating to a nursing facility or hospice provider's disagreement with HHSC's TILE classification of a nursing facility resident (resident), to review and make a determination on the request not later than the 30th day after date the request was received.

(c) Provides that the TILE classification requested by the nursing facility or hospice provider regarding a resident is considered granted if HHSC does not make a determination on the request within the 30-day period, and that the TILE certification and the associated daily reimbursement rate is assigned to the resident retroactively to the effective date of the incorrect TILE classification.

SECTION 2. Makes application of Section 531.0991, Government Code, as added by this Act, prospective.

SECTION 3. 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 4. Effective date: September 1, 2007.