

By: Davis of Harris

H.B. No. 3793

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to including certain performance measures and incentives  
3 in certain Medicaid managed care contracts.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter A, Chapter 533, Government Code, is  
6 amended by adding Section 533.0051 to read as follows:

7 Sec. 533.0051. PERFORMANCE MEASURES AND INCENTIVES FOR  
8 VALUE-BASED CONTRACTS. (a) The commission shall establish  
9 outcome-based performance measures and incentives to include in  
10 each contract between a health maintenance organization and the  
11 commission for the provision of health care services to recipients  
12 that is procured and managed under a value-based purchasing model.  
13 The performance measures and incentives must be designed to  
14 facilitate and increase recipients' access to appropriate health  
15 care services.

16 (b) Subject to Subsection (c), the commission shall include  
17 the performance measures and incentives established under  
18 Subsection (a) in each contract described by that subsection in  
19 addition to all other contract provisions required by this chapter.

20 (c) The commission may use a graduated approach to including  
21 the performance measures and incentives established under  
22 Subsection (a) in contracts described by that subsection to ensure  
23 incremental and continued improvements over time.

24 (d) The commission shall assess the feasibility and

1 cost-effectiveness of including provisions in a contract described  
2 by Subsection (a) that require the health maintenance organization  
3 to provide to the providers in the organization's provider network  
4 pay-for-performance opportunities that support quality  
5 improvements in the care of Medicaid recipients. If the commission  
6 determines that the provisions are feasible and may be  
7 cost-effective, the commission shall develop and implement a pilot  
8 program in at least one health care service region under which the  
9 commission will include the provisions in contracts with health  
10 maintenance organizations offering managed care plans in the  
11 region.

12 SECTION 2. If before implementing any provision of this Act  
13 a state agency determines that a waiver or authorization from a  
14 federal agency is necessary for implementation of that provision,  
15 the agency affected by the provision shall request the waiver or  
16 authorization and may delay implementing that provision until the  
17 waiver or authorization is granted.

18 SECTION 3. This Act takes effect September 1, 2007.