

1-1 By: Deuell S.B. No. 318
1-2 (In the Senate - Filed January 25, 2007; February 14, 2007,
1-3 read first time and referred to Committee on Health and Human
1-4 Services; March 12, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 March 12, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 318 By: Deuell

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to Medicaid incentive payments for direct nursing care
1-11 provided by nursing homes.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsections (g) and (i), Section 32.028, Human
1-14 Resources Code, are amended to read as follows:

1-15 (g) Subject to Subsection (i), the Health and Human Services
1-16 Commission shall ensure that the rules governing the determination
1-17 of rates paid for nursing home services improve the quality of care
1-18 by:

1-19 (1) providing a program offering incentives for
1-20 increasing direct care staff and direct care wages and benefits,
1-21 [~~but only to the extent that appropriated funds are available after~~
1-22 ~~money is allocated to base rate reimbursements]~~ as determined by
1-23 the Health and Human Services Commission's nursing facility rate
1-24 setting methodologies; and

1-25 (2) if appropriated funds are available after money is
1-26 allocated for payment of incentive-based rates under Subdivision
1-27 (1), providing incentives that incorporate the use of a quality of
1-28 care index, a customer satisfaction index, and a resolved
1-29 complaints index developed by the commission.

1-30 (i) Changes in funding for nursing facility payment rates
1-31 are intended to change the base rate and incentive-based rate by
1-32 equal percentages. The Health and Human Services Commission shall
1-33 ensure that rules governing the incentives program described by
1-34 Subsection (g)(1):

1-35 (1) provide that participation in the program by a
1-36 nursing home is voluntary;

1-37 (2) do not impose on a nursing home not participating
1-38 in the program a minimum spending requirement for direct care staff
1-39 wages and benefits;

1-40 (3) do not set a base rate for a nursing home
1-41 participating in the program that is more than the base rate for a
1-42 nursing home not participating in the program; and

1-43 (4) establish a funding process to provide incentives
1-44 for increasing direct care staff and direct care wages and benefits
1-45 in accordance with appropriations provided.

1-46 SECTION 2. If before implementing any provision of this Act
1-47 a state agency determines that a waiver or authorization from a
1-48 federal agency is necessary for implementation of that provision,
1-49 the agency affected by the provision shall request the waiver or
1-50 authorization and may delay implementing that provision until the
1-51 waiver or authorization is granted.

1-52 SECTION 3. This Act takes effect September 1, 2007.

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