

BILL ANALYSIS

Senate Research Center
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S.B. 8
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Health Services Authority is a 501(c)3 nonprofit, public-private collaborative created to improve patient safety and quality of care by developing health information technology policies and infrastructure for the state health care system.

This legislation requires the Texas Health Services Authority to develop a statewide plan recommending improvements to the health care delivery system by ensuring health care providers have the tools they need to follow best practices. Specifically, the Texas Health Services Authority would develop and disseminate information about best practices and quality of care, develop recommendations to reduce administrative costs, study alternative payment methodologies that will reimburse health care providers based on quality rather than quantity, study payment incentives to increase access to primary care, and study payment incentives related to hospital and inpatient payments.

As proposed, S.B. 8 relates to the administration, powers, and duties of the Texas Health Services Authority.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 182.001, Health and Safety Code, as follows:

Sec. 182.001. PURPOSE. Provides that this chapter establishes the Texas Health Services Authority as a public-private collaborative to make recommendations to improve the quality of health care funded by both public and private payors and to increase accountability and transparency. Makes nonsubstantive changes.

SECTION 2. Amends Section 182.002, Health and Safety Code, by amending Subdivision (5), and adding Subdivisions (1-a), (3-a), (3-b), and (3-c), as follows:

(1-a) Defines "clinical integration."

(3-a) Defines "global payments."

(3-b) Defines "health care facility."

(3-c) Defines "health care practitioner."

(5) Defines "payor," rather than "physician."

SECTION 3. Amends Section 182.051(a), Health and Safety Code, to provide that the Texas Health Services Authority (corporation) is established to research, develop, support, and promote recommended strategies to improve the quality of health care in this state and to increase accountability and transparency through voluntary implementation of the recommendations by health care practitioners, health care facilities, and payors, including recommendations for best practice standards for health care facilities and health care practitioners, performance measures

for health care practitioners, improved payment methodologies for payors, and streamlined administrative processes.

SECTION 4. Amends Sections 182.053(a), (b), and (c), Health and Safety Code, as follows:

(a) Provides that the corporation is governed by a board of 15, rather than 11, directors and sets forth the manner in which directors are appointed.

(b) Sets forth certain ex officio, nonvoting members who also serve on the board. Deletes existing text requiring the governor to appoint at least two ex officio, nonvoting members representing the Department of State Health Services.

(c) Requires the governor and lieutenant governor to appoint as voting board members individuals who represent consumers, clinical laboratories, health benefit plans, hospitals, regional health information exchange initiatives, pharmacies, physicians, or rural health providers, or who possess expertise in any other area the governor or lieutenant governor finds necessary for the successful operation of the corporation.

SECTION 5. Amends Section 182.054, Health and Safety Code, as follows:

Sec. 182.054. TERMS OF OFFICE. Provides that appointed members of the board serve two-year terms and are authorized to continue to serve until a successor has been appointed by the appropriate appointing authority, rather than the governor.

SECTION 6. Amends Section 182.101, Health and Safety Code, as follows:

Sec. 182.101. New heading: GENERAL POWERS AND DUTIES. (a) Creates this subsection from existing text. Deletes existing text authorizing the corporation to identify standards for streamlining health care administrative functions across payors and providers, including electronic patient registration, communication of enrollment in health plans, and information at the point of care regarding services covered by health plans. Makes a nonsubstantive change.

(b) Requires the corporation to research, develop, support, and promote:

(1) best practice standards for health care practitioners and health care facilities;

(2) strategies to require or encourage adherence to best practice standards, including providing health care practitioners and health care facilities with the support tools and information necessary to promote adherence to best practices standards;

(3) performance measures that are authorized to be used to evaluate the quality of care that a patient receives from a health care practitioner or at a health care facility;

(4) standards for reporting the results of performance measures under Subdivision (3), comparing health care practitioners and health care facilities based on the performance measures, and sharing this information among health care practitioners, health care facilities, and payors;

(5) recommendations for disseminating the results of the performance measures under Subdivision (3) to the public;

(6) standards for technology to collect information to measure medical outcomes, quality of care, and adherence to best practice standards;

(7) strategies for use of existing resources that are available for the exchange of health care information;

(8) strategies for use by the state to facilitate the exchange of health care information, the interoperability of different information storage and transmission systems, and the standardization of health care information in the system;

(9) recommendations to encourage clinical integration and collaboration of health care practitioners to control costs and improve quality;

(10) alternative payment methodologies for payors of health care practitioners and health care facilities that improve efficiency and promote a higher quality of patient care and the use of best practices, including bundling payments for episodes of care and using global payments to health care practitioners and health care facilities, replacing payment methodologies that are based on number of patients seen or procedures performed, and promoting the use of new payment methodologies by both public and private payors;

(11) standards for streamlining health care administrative functions across payors, health care practitioners, and health care facilities, including electronic patient registration, communication of enrollment in health plans, and information at the point of care regarding services covered by health plans; and

(12) recommendations for streamlining health care administrative functions, including communicating point of care services, including laboratory results, diagnostic imaging, and prescription histories; communicating patient identification and emergency room required information in conformity with state and federal privacy laws; real-time communication of enrollee status in relation to health plan coverage, including enrollee cost-sharing responsibilities; and current census and status of health plan contracted health care practitioners and health care facilities.

SECTION 7. Amends Subchapter C, Chapter 182, Health and Safety Code, by adding Section 182.1015, as follows:

Sec. 182.1015. STUDIES ON PAYMENT METHODOLOGIES. (a) Requires the corporation to conduct a study or contract for a study to be conducted to develop payment incentives to increase access to primary care. Requires that the study evaluate proposals for changes to payment methodologies for implementation by multiple public and private payors and are required to consider payment methodologies that reward primary health care practitioners for patient retention; encourage primary health care practitioners to spend an appropriate amount of time with each patient; reward primary health care practitioners for monitoring patients, including reminders to obtain follow-up care; provide incentives for having 24-hour availability of a primary health care practitioner in the practice and taking other action to reduce unnecessary emergency room visits; and improve access to primary care.

(b) Requires the corporation to conduct a study or contract for a study to be conducted to develop payment methodologies based on risk-adjusted episodes of care, including global payments, that create incentives for higher quality of services and reduce unnecessary services. Requires that the study:

(1) evaluate payment methodologies that align incentives for health care practitioners and health care facilities, bundle payments based on episodes of care or provide global payments to address variation on cost while providing incentives for higher quality care; allow for the adjustment of costs based on the risk factors of the patient, including age; and may be adopted by private and public payors; and

(2) identify standard medical procedures and determine a standard cost for each procedure that may be used in recommended payment methodologies.

(c) Requires the corporation to submit to the legislature not later than January 1, 2011, a summary of the results of the studies conducted under this section; and legislative recommendations regarding the studies' findings, including methods to require or encourage as many payors as possible to use the payment methodologies recommended by the studies.

(d) Provides that this section expires September 1, 2011.

SECTION 8. Amends Section 182.102(b), Health and Safety Code, to provide that the corporation has no authority and may not disseminate information to the public, rather than shall not disseminate information in any manner to the public, that compares, rates, tiers, classifies, measures, or ranks a health care practitioner's or health care facility's, rather than a physician's, performance, efficiency, or quality of practice.

SECTION 9. Repealer: Section 182.102(a) (relating to certain actions for which the corporation has no authority and is prohibited from engaging in), Health and Safety Code.

SECTION 10. (a) Provides that the term of a voting member of the board of directors of the Texas Health Services Authority serving immediately before the effective date of this Act expires on that date.

(b) Requires the governor and lieutenant governor to appoint voting members of the board of directors under Section 182.053(a), Health and Safety Code, as amended by this Act, as soon as possible after the effective date of this Act. Authorizes a person who is a voting member of the board of directors immediately before the effective date of this act to be reappointed to the board.

SECTION 11. Effective date: September 1, 2009.