

BILL ANALYSIS

Senate Research Center
81R3558 UM-D

S.B. 796
By: Hinojosa et al.
Health & Human Services
3/23/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Research has shown that individuals who have a substance abuse disorder and who are not receiving treatment have double the medical costs of people without a substance abuse disorder.

According to the National Institutes of Health, substance abuse disorders are brain diseases that can be successfully managed, much like diabetes, asthma, or heart disease.

In fiscal year 2006, fewer than 25 percent of the 47,663 adult clients in the Texas Medicaid program with a substance abuse disorder received treatment. Currently, treatment options for this population are limited.

Research strongly suggests that by using existing funds to provide comprehensive substance abuse treatment, Texas would see a decrease in spending related to the health care costs associated with Texas Medicaid clients who have an untreated substance abuse disorder. Currently, the cost of these health care services is approximately \$109 million annually.

As proposed, S.B. 796 requires the Texas Health and Human Services Commission (HHSC) to conduct a study regarding the cost-effectiveness of providing comprehensive substance abuse treatment. The bill requires HHSC to provide comprehensive substance abuse treatment under the medical assistance program to certain people.

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 Subchapter B, Chapter 531, Government Code, by adding Section 531.0226, as follows:

Sec. 531.0226. STUDY REGARDING COMPREHENSIVE SUBSTANCE ABUSE TREATMENT. (a) Requires the Health and Human Services Commission (HHSC) to conduct a study regarding the cost-effectiveness of providing comprehensive substance abuse treatment, as described by Section 32.024(ff), Human Resources Code, to Medicaid recipients who are at least 21 years of age.

(b) Requires HHSC, to evaluate the cost-effectiveness of providing comprehensive substance abuse treatment to Medicaid recipients, to identify and use specific outcome measures. Requires that the outcome measures be measured in three consecutive years, including the year before the year in which the recipient receives comprehensive substance abuse treatment, the year in which the treatment is first provided to the recipient, and the year following the year in which the treatment is first provided to the recipient. Requires that the study include, for Medicaid recipients who receive comprehensive substance abuse treatment, at least the following outcome measures:

(1) the average annual cost per recipient of a recipient's treatment under the Medicaid program, other than the comprehensive substance abuse treatment, including inpatient services other than inpatient labor and

delivery services, outpatient services, and pharmaceutical and ancillary services;

(2) the average annual cost per recipient of the comprehensive substance abuse treatment; and

(3) the average annual number, per recipient, of inpatient days, emergency department visits, and outpatient visits.

(c) Requires HHSC, to evaluate cost and utilization trends among Medicaid recipients who are at least 21 years of age with respect to whom there is no evidence of a substance abuse disorder, to collect data regarding the outcome measures listed in Subsections (b)(1) and (3) for the same period described by Subsection (b).

(d) Requires HHSC, in conducting the study, to ensure that outcome data is evaluated using appropriate demographic categories, including recipient age, disability, and income; and the type of service delivery model through which the recipient received services through Medicaid, including the fee-for-service, primary care case management, and health maintenance organization models.

(e) Requires HHSC, using the data collected during the study, to evaluate cost and utilization trends and whether the provision of comprehensive substance abuse treatment through the state Medicaid program results in an increase in overall Medicaid spending. Requires HHSC to prepare a report of the study data and HHSC's determination and, not later than December 1, 2012, submit the report to the governor, the state auditor, and the Legislative Budget Board (LBB).

(f) Prohibits HHSC, if HHSC determines that the provision of comprehensive substance abuse treatment through the state Medicaid program has resulted in an increase in overall Medicaid spending, from continuing to provide those services to a Medicaid recipient who is at least 21 years of age. Requires HHSC, if HHSC determines that the provision of comprehensive substance abuse treatment through the state Medicaid program has resulted in an increase in overall Medicaid spending, to recommend the repeal of Section 32.024(ff), Human Resources Code, in the report required by Subsection (e).

(g) Provides that this section expires January 1, 2013.

SECTION 2. Amends Section 32.024, Human Resources Code, by adding Subsection (ff), as follows:

(ff) Requires HHSC, except as otherwise provided by this subsection, to provide comprehensive substance abuse treatment under the medical assistance program to a person who is at least 21 years of age, has a substance abuse disorder, and otherwise qualifies for medical assistance. Prohibits HHSC from providing the treatment if, based on the study conducted under Section 531.0226, Government Code, a determination is made that the treatment resulted in an increase in overall medical assistance program spending. Provides that comprehensive substance abuse treatment includes assessment, residential detoxification, outpatient detoxification, methadone maintenance, residential services, specialized residential services for women, outpatient chemical dependency counseling, and any other necessary services as determined by HHSC.

SECTION 3. Requires HHSC, not later than December 1, 2009, to submit to the LBB for approval HHSC's proposed methodology, including outcome measures selected, for the cost-effectiveness study required by Section 531.0226, Government Code, as added by this Act.

SECTION 4. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such waivers or authorizations are granted.

SECTION 5. Effective date: September 1, 2009.