

By: Davis of Harris

H.B. No. 2197

A BILL TO BE ENTITLED

AN ACT

relating to the implementation of a quality improvement initiative in the Medicaid program.

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

SECTION 1. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.077 to read as follows:

Sec. 32.077. IMPLEMENTATION OF QUALITY IMPROVEMENT INITIATIVE. (a) In this section, "commission" means the Health and Human Services Commission.

(b) The commission may implement a quality improvement initiative in the medical assistance program designed to improve the quality of care provided to medical assistance recipients. Subject to Subsections (c) and (d), the initiative may consist of one or more of the following quality improvement strategies not implemented under other law:

(1) establishing a disease management outcomes measurement system that measures improvements in outcomes experienced by recipients with chronic diseases specified by the commission, including diabetes and asthma;

(2) establishing a pay-for-performance reimbursement system for acute care services and long-term care services provided by nursing facilities under the program, provided that the system complies with Subsection (e);

(3) expanding the use of evidence-based standards of

1 care in the program; and

2 (4) developing the use of a medical home through which
3 a primary care physician provides preventive and primary care
4 services on an ongoing basis to a recipient and coordinates with
5 specialists when health care services provided by a specialist are
6 needed.

7 (c) Before implementing a quality improvement strategy
8 under Subsection (b), the commission shall:

9 (1) study the cost-effectiveness of implementing that
10 strategy;

11 (2) assess whether the implementation is anticipated
12 to have a positive effect on the quality of care provided to medical
13 assistance recipients; and

14 (3) determine whether the implementation would:

15 (A) be consistent with federal law; and

16 (B) require a waiver or authorization from a
17 federal agency.

18 (d) A quality improvement strategy may not be implemented
19 under Subsection (b) unless:

20 (1) based on the study and assessment conducted under
21 Subsection (c), the commission anticipates that the strategy will
22 be cost-effective and positively affect quality of care; and

23 (2) the commission obtains any necessary waiver or
24 authorization identified under Subsection (c)(3) from a federal
25 agency.

26 (e) A pay-for-performance reimbursement system implemented
27 under Subsection (b)(2) must be based on a pilot project developed

1 by the federal Centers for Medicare and Medicaid Services and use
2 alternative reimbursement methods that are designed to reward the
3 provision of efficient, quality services resulting in successful
4 health outcomes. The system must be data-driven,
5 recipient-centered, and transparent, but may not impose
6 significant additional administrative burdens on medical
7 assistance providers.

8 (f) To develop evidence-based standards of care for
9 implementation under Subsection (b)(3), the commission shall study
10 the use of performance measures in other states and determine
11 whether adopting similar standards, and corresponding incentives
12 for meeting or exceeding those standards, will improve health care
13 outcomes under the medical assistance program.

14 (g) To develop a medical home model for implementation under
15 Subsection (b)(4), the commission shall examine policies and
16 practices in other states relating to the use of a medical home
17 under those states' medical assistance programs and determine
18 whether similar policies and practices could be effectively
19 implemented in this state.

20 SECTION 2. This Act takes effect September 1, 2009.