

By: Nelson

S.B. No. 288

Substitute the following for S.B. No. 288:

By: Coleman

C.S.S.B. No. 288

A BILL TO BE ENTITLED

AN ACT

relating to improving the quality of health care services provided under certain state programs through certain initiatives, including payment strategies and medication history review requirements.

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

SECTION 1. Subchapter B, Chapter 531, Government Code, is amended by adding Sections 531.0961 and 531.0995 to read as follows:

Sec. 531.0961. MEDICAID PROVIDER REVIEW OF ELECTRONIC MEDICATION HISTORY. The commission, as part of a quality-based payment initiatives pilot program developed under Subchapter W, may require a health care provider providing acute care services under the state Medicaid program to review, before providing an acute care service or procedure to a Medicaid recipient, the recipient's prescription and nonprescription medication history included in:

(1) a health passport provided to the recipient under Section 266.006, Family Code, or any other law; or

(2) any other electronic health records maintained under the program with respect to the recipient and to which the provider has access.

Sec. 531.0995. HEALTH CARE QUALITY ADVISORY COMMITTEE.

(a) The commission shall establish the Health Care Quality Advisory Committee to assist the commission as specified by

1 Subsection (d) with defining best practices and quality performance
2 with respect to health care services and setting standards for
3 quality performance by health care providers and facilities for
4 purposes of programs administered by the commission or a health and
5 human services agency.

6 (b) The executive commissioner shall appoint the members of
7 the advisory committee. The committee must consist of health care
8 providers, representatives of health care facilities, and other
9 stakeholders interested in health care services provided in this
10 state. At least one member must be a physician who has clinical
11 practice expertise, and at least one member must be a member of the
12 advisory panel established as provided by Section 98.051, Health
13 and Safety Code, who meets the qualifications prescribed by Section
14 98.052(a)(4), Health and Safety Code.

15 (c) The executive commissioner shall appoint the presiding
16 officer of the advisory committee.

17 (d) The advisory committee shall advise the commission on:
18 (1) quality of care standards, evidence-based
19 protocols, and measurable goals for quality-based payment
20 initiatives pilot programs implemented under Subchapter W; and
21 (2) any other quality of care standards,
22 evidence-based protocols, measurable goals, or other related
23 issues with respect to which a law or the executive commissioner
24 specifies that the committee shall advise.

25 SECTION 2. Chapter 531, Government Code, is amended by
26 adding Subchapter W to read as follows:

SUBCHAPTER W. QUALITY-BASED PAYMENT INITIATIVES PILOT PROGRAMS FOR
PROVISION OF HEALTH CARE SERVICES

Sec. 531.951. DEFINITIONS. In this subchapter:

(1) "Pay-for-performance payment system" means a
system for compensating a health care provider or facility for
arranging for or providing health care services to child health
plan program enrollees or Medicaid recipients, or both, that is
based on the provider or facility meeting or exceeding certain
defined performance measures. The compensation system may include
sharing realized cost savings with the provider or facility.

(2) "Pilot program" means a quality-based payment
initiatives pilot program established under this subchapter.

Sec. 531.952. PILOT PROGRAM PROPOSALS; DETERMINATION OF
BENEFIT TO STATE. (a) Health care providers and facilities may
submit proposals to the commission for the implementation through
pilot programs of quality-based payment initiatives that provide
incentives to the providers and facilities, as applicable, to
develop health care interventions for child health plan program
enrollees or Medicaid recipients, or both, that are cost-effective
to this state and will improve the quality of health care provided
to the enrollees or recipients.

(b) The commission shall determine whether it is feasible
and cost-effective to implement one or more of the proposed pilot
programs. In addition, the commission shall examine alternative
payment methodologies used in the Medicare program and consider
whether implementing one or more of the methodologies, modified as
necessary to account for programmatic differences, through a pilot

program under this subchapter would achieve cost savings in the Medicaid program while ensuring the use of best practices.

Sec. 531.953. PURPOSE AND IMPLEMENTATION OF PILOT PROGRAMS.

(a) If the commission determines under Section 531.952 that implementation of one or more quality-based payment initiatives pilot programs is feasible and cost-effective for this state, the commission shall establish one or more programs as provided by this subchapter to test pay-for-performance payment system alternatives to traditional fee-for-service or other payments made to health care providers or facilities participating in the child health plan or Medicaid program, as applicable, that are based on best practices, outcomes, and efficiency, but ensure high-quality, effective health care services.

(b) The commission shall administer any pilot program established under this subchapter. The executive commissioner may adopt rules, plans, and procedures and enter into contracts and other agreements as the executive commissioner considers appropriate and necessary to administer this subchapter.

(c) The commission may limit a pilot program to:

- (1) one or more regions in this state;
- (2) one or more organized networks of health care facilities and providers; or
- (3) specified types of services provided under the child health plan or Medicaid program, or specified types of enrollees or recipients under those programs.

(d) A pilot program implemented under this subchapter must be operated for at least one state fiscal year.

1 Sec. 531.954. STANDARDS; PROTOCOLS. (a) In consultation
2 with the Health Care Quality Advisory Committee established under
3 Section 531.0995, the executive commissioner shall approve quality
4 of care standards, evidence-based protocols, and measurable goals
5 for a pilot program to ensure high-quality and effective health
6 care services.

7 (b) In addition to the standards approved under Subsection
8 (a), the executive commissioner may approve efficiency performance
9 standards that may include the sharing of realized cost savings
10 with health care providers and facilities that provide health care
11 services that exceed the efficiency performance standards.

12 Sec. 531.955. QUALITY-BASED PAYMENT INITIATIVES. (a) The
13 executive commissioner may contract with appropriate entities,
14 including qualified actuaries, to assist in determining
15 appropriate payment rates for a pilot program implemented under
16 this subchapter.

17 (b) The executive commissioner may increase a payment rate,
18 including a capitation rate, adopted under this section as
19 necessary to adjust the rate for inflation.

20 (c) The executive commissioner shall ensure that services
21 provided to a child health plan program enrollee or Medicaid
22 recipient, as applicable, meet the quality of care standards
23 required under this subchapter and are at least equivalent to the
24 services provided under the child health plan or Medicaid program,
25 as applicable, for which the enrollee or recipient is eligible.

26 Sec. 531.956. TERMINATION OF PILOT PROGRAM; EXPIRATION OF
27 SUBCHAPTER. The pilot program terminates and this subchapter

1 expires September 2, 2013.

2 SECTION 3. The executive commissioner of the Health and
3 Human Services Commission shall appoint the members of the Health
4 Care Quality Advisory Committee not later than November 1, 2009.

5 SECTION 4. Not later than November 1, 2012, the Health and
6 Human Services Commission shall present a report to the governor,
7 the lieutenant governor, the speaker of the house of
8 representatives, and the members of each legislative committee
9 having jurisdiction over the child health plan and Medicaid
10 programs. For each pilot program implemented under Subchapter W,
11 Chapter 531, Government Code, as added by this Act, the report must:

12 (1) describe the operation of the pilot program;

13 (2) analyze the quality of health care provided to
14 patients under the pilot program;

15 (3) compare the per-patient cost under the pilot
16 program to the per-patient cost of the traditional fee-for-service
17 or other payments made under the child health plan and Medicaid
18 programs; and

19 (4) make recommendations regarding the continuation
20 or expansion of the pilot program.

21 SECTION 5. If before implementing any provision of this Act
22 a state agency determines that a waiver or authorization from a
23 federal agency is necessary for implementation of that provision,
24 the agency affected by the provision shall request the waiver or
25 authorization and may delay implementing that provision until the
26 waiver or authorization is granted.

27 SECTION 6. This Act takes effect September 1, 2009.