

## **BILL ANALYSIS**

C.S.H.B. 2903  
By: Zerwas  
Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The program for all-inclusive care for the elderly (PACE) is a unique model of community-based health care services that serves certain seniors with chronic care needs by providing access to a full continuum of preventive, primary, acute, and long-term care services while allowing participating individuals to live as independently as possible. Interested parties assert that the PACE program should be expanded throughout Texas because the program is flexible enough to better meet the health care needs of participating individuals and because medical services provided through the program cost less than if the services were provided in a nursing home setting.

C.S.H.B. 2903 seeks to increase participation in the PACE program by, among other provisions, making the program available as an alternative to enrollment in a Medicaid managed care plan, ensuring that certain managed care organizations consider the availability of the PACE program when considering whether to refer a recipient to a nursing home or other long-term care facility, and requiring the program to be considered a community-based service option under the "Money Follows the Person" demonstration project or any other initiative that is designed to eliminate barriers that prevent flexible use of funds.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

### **ANALYSIS**

Section 531.0055, Government Code, as amended by Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, expressly grants to the executive commissioner of the Health and Human Services Commission all rulemaking authority for the operation of and provision of services by the health and human services agencies. Similarly, Sections 1.16-1.29, Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, provide for the transfer of a power, duty, function, program, or activity from a health and human services agency abolished by that act to the corresponding legacy agency. To the extent practical, this bill analysis is written to reflect any transfer of rulemaking authority and to update references as necessary to an agency's authority with respect to a particular health and human services program.

C.S.H.B. 2903 amends the Human Resources Code to specify that the program of all-inclusive care for the elderly (PACE) implemented by the Health and Human Services Commission (HHSC) as part of Medicaid is an integral part of Medicaid. The bill requires the executive commissioner of HHSC to adopt rules relating to the PACE program to ensure that participation in the PACE program is available as an alternative to enrollment in a Medicaid managed care plan for eligible recipients, including recipients eligible for assistance under both Medicaid and Medicare; ensure that managed care organizations that contract under provisions of law relating to Medicaid managed care programs consider the availability of the PACE program when considering whether to refer a recipient to a nursing home or other long-term care facility; and

establish protocols for the referral of eligible persons to the PACE program.

C.S.H.B. 2903 requires the Department of Aging and Disability Services (DADS), rather than HHSC with the cooperation of DADS, to develop and implement a coordinated plan to promote PACE program sites. The bill includes operating guidelines among the policies and procedures required to be adopted by HHSC to ensure that caseworkers and any other appropriate HHSC staff discuss the benefits of participating in the PACE program with long-term care clients.

C.S.H.B. 2903 requires HHSC to consider the PACE program as a community-based service option under any "Money Follows the Person" demonstration project or other initiative that is designed to eliminate barriers or mechanisms that prevent or restrict the flexible use of Medicaid funds to enable a recipient to receive long-term services or supports in a setting of the recipient's choice. The bill authorizes a PACE program site to coordinate with entities that are eligible to obtain discount prescription drug prices under the federal Public Health Service Act, as necessary to enable the PACE program site to obtain those discounts. The bill requires HHSC to adopt a standard reimbursement methodology for the payment of all providers of services under the PACE program for purposes of encouraging a natural increase in the number of PACE program sites throughout Texas.

C.S.H.B. 2903 requires DADS to establish a PACE program team composed of experienced personnel that is responsible for increasing public attention and awareness of the availability of PACE program sites; increasing the number of PACE program sites operating in Texas; and serving as a liaison with the state and federal agencies responsible for administering the PACE program, participants in the program, and PACE program sites.

C.S.H.B. 2903 requires a state agency that is affected by a provision of the bill to request a federal waiver or authorization if the agency determines that a waiver or authorization is necessary for the implementation of the provision, and it authorizes the agency to delay implementation until the federal waiver or authorization is obtained. The bill makes nonsubstantive changes.

#### **EFFECTIVE DATE**

September 1, 2011.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2903 contains a provision not included in the original requiring the Health and Human Services Commission to adopt a standard reimbursement methodology for the payment of all providers of services under the program of all-inclusive care for the elderly (PACE) for purposes of encouraging a natural increase in the number of PACE program sites throughout Texas.