

BILL ANALYSIS

Senate Research Center
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S.B. 827
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Medicaid program is one of the fastest growing portions of the state budget. Health and human services agencies have identified several programs within Medicaid that may contain a potential for both immediate and long-term cost savings. S.B. 827 proposes four cost-containment strategies.

First, the legislation prohibits Medicaid from reimbursing elective cesarean section or labor induction prior to a gestation age of 39 weeks, unless medically necessary. This practice has become a dangerous trend that has spiked usage of neonatal intensive care units, which has had a significant negative financial impact on the Medicaid program.

Second, many home health care providers have utilized telephony as a way to ensure that staff are timely when arriving at appointments with clients and do not leave the client before the scheduled period of time ends. The Department of Aging and Disabilities Services (DADS) is piloting an Electronic Visit Verification program in DADS Region 9 (Central-West Texas). This legislation would require a statewide EVV program.

Third, S.B. 827 requires the Health and Human Services Commission (HHSC) to conduct a feasibility study for an in-home asthma management program, with the purpose of preventing or reducing asthma-related hospitalizations. Many families are unaware of the factors in their home environment that may trigger a potentially life-threatening asthma attack.

Finally, the legislation repeals the prohibition on a Medicaid health management organization in certain counties in the Rio Grande Valley. This would allow Star Plus to expand into South Texas.

As proposed, S.B. 827 amends current law relating to the child health plan and medical assistance programs.

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 32, Human Resources Code, by adding Section 32.0313, as follows:

Sec. 32.0313. DENIAL OF REIMBURSEMENT FOR CERTAIN PROCEDURES. Prohibits the Health and Human Services Commission (HHSC) from reimbursing a provider under the medical assistance program for nonmedically indicated cesarean section or labor induction performed at a hospital on a woman earlier than the 39th week of gestation.

SECTION 2. Amends Subchapter D, Chapter 161, Human Resources Code, by adding Section 161.086, as follows:

Sec. 161.086. ELECTRONIC VISIT VERIFICATION SYSTEM. Requires HHSC, if it is cost-effective, to implement an Electronic Visit Verification system under appropriate Medicaid programs administered by HHSC that allows providers to electronically verify and document basic information relating to the delivery of services including the provider's name, the recipient's name, the date and time the provider begins and ends the delivery of services, and the location of service delivery.

SECTION 3. (a) Requires HHSC to conduct a study to assess whether it would be feasible and cost-effective to implement an asthma self-management training program under which children who have asthma and receive benefits under the child health plan program under Chapter 62 (Child Health Plan for Certain Low-Income Children), Health and Safety Code, or the medical assistance program under Chapter 32 (Medical Assistance Program), Human Resources Code, may receive home-based asthma education and training from persons qualified to provide the education and training, including respiratory therapists and individuals certified to provide the training by the National Asthma Educator Certification Board. Requires that the study:

- (1) analyze whether implementing the training program would reduce asthma-related emergency room visit and hospital inpatient stays;
- (2) explore the possibility of providing home-based education and training as a benefit under the child health plan and medical assistance programs, and financial incentives through shared savings to providers of home-based education and training; and
- (3) assess the likelihood that children and their families will use home-based education and training.

(b) Requires HHSC, not later than December 1, 2012, to submit a written report containing the findings of the study conducted under this section together with HHSC's recommendations to the standing committee of the senate and house of representatives having primary jurisdiction over the child health plan and Medicaid programs.

SECTION 4. Repealer: Section 533.0025(e) (relating to prohibiting HHSC, notwithstanding Subsection (b)(1), from providing medical assistance using a health maintenance organization certain counties), Government Code.

SECTION 5. 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 a waiver or authorization is granted.

SECTION 6. Effective date: September 1, 2011.