

## **BILL ANALYSIS**

S.B. 1878  
By: Deuell  
Human Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The program for all-inclusive care for the elderly (PACE) provides community-based comprehensive health care services for certain elderly persons in need of nursing home care by integrating short and long-term health care through combined Medicare and Medicaid financing. The program, currently implemented by the Health and Human Services Commission, saves Medicaid and Medicare payors costs per member per annum when compared to the costs of care received in a nursing home and often provides a better match between an individual and services appropriate to that individual. However, participation in the PACE program is not always available as an alternative to a Medicaid managed care plan, and it is not always considered when recommending an individual to a long-term care facility or nursing home.

S.B. 1878 seeks to address this issue by amending current law relating to the program of all-inclusive care for the elderly.

### **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.

S.B. 1878 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.

S.B. 1878 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.

S.B. 1878 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 reimbursement methodology for the payment of the providers of services under the PACE program for purposes of encouraging a natural increase in the number of PACE program sites throughout Texas.

S.B. 1878 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.

S.B. 1878 adds a temporary provision, set to expire September 2, 2012, requiring the PACE program team to conduct a study to evaluate the feasibility of implementing a statewide standard reimbursement rate for all providers of services under the PACE program and, not later than September 1, 2012, to submit to HHSC a written report containing the findings of the study and the team's recommendations.

S.B. 1878 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.