By: Ogden S.B. No. 1580

A BILL TO BE ENTITLED

AN ACT

relating to state fiscal matters related to health and human services and state agencies administering health and human services programs.

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

ARTICLE 1. REDUCTION OF EXPENDITURES AND IMPOSITION OF CHARGES AND COST-SAVING MEASURES GENERALLY

SECTION 1.01. This article applies to any state agency that receives an appropriation under Article II of the General Appropriations Act and to any program administered by any of those agencies.

SECTION 1.02. Notwithstanding any other statute of this state, each state agency to which this article applies is authorized to reduce or recover expenditures by:

(1) consolidating any reports or publications the agency is required to make and filing or delivering any of those reports or publications exclusively by electronic means;

(2) extending the effective period of any license, permit, or registration the agency grants or administers;

(3) entering into a contract with another governmental entity or with a private vendor to carry out any of the agency's duties;

(4) adopting additional eligibility requirements consistent with federal law for persons who receive benefits under

any law the agency administers to ensure that those benefits are received by the most deserving persons consistent with the purposes for which the benefits are provided, including under the following laws:

(A) Chapter 62, Health and Safety Code (child health plan program);

(B) Chapter 31, Human Resources Code (temporary assistance for needy families program);

(C) Chapter 32, Human Resources Code (Medicaid program);

(D) Chapter 33, Human Resources Code (supplemental nutrition assistance and other nutritional assistance programs); and

(E) Chapter 533, Government Code (Medicaid managed care);

(5) providing that any communication between the agency and another person and any document required to be delivered to or by the agency, including any application, notice, billing statement, receipt, or certificate, may be made or delivered by e-mail or through the Internet;

(6) adopting and collecting fees or charges to cover any costs the agency incurs in performing its lawful functions; and

(7) modifying and streamlining processes used in:

(A) the conduct of eligibility determinations for programs listed in Subdivision (4) of this subsection by or under the direction of the Health and Human Services Commission;

(B) the provision of child and adult protective

services by the Department of Family and Protective Services;

(C) the provision of services for the aging and disabled by the Department of Aging and Disability Services;

(D) the provision of services to children and other persons with disabilities by the Department of Assistive and Rehabilitative Services;

(E) the provision of community health services, consumer protection services, mental health services, and hospital facilities and services by the Department of State Health Services; and

(F) the provision or administration of other services provided or programs operated by the Health and Human Services Commission or a health and human services agency, as defined by Section 531.001, Government Code.

ARTICLE 2. HEALTH AND HUMAN SERVICES BENEFITS IN GENERAL

SECTION 2.01. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0998 to read as follows:

Sec. 531.0998. MEMORANDUM OF UNDERSTANDING REGARDING PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM. (a) In this section, "system" means the Public Assistance Reporting Information System (PARIS) operated by the Administration for Children and Families of the United States Department of Health and Human Services.

(b) The commission, the Department of Aging and Disability Services, the Texas Veterans Commission, and the Veterans' Land Board shall enter into a memorandum of understanding for the purposes of:

(1) coordinating and collecting information about the use and analysis among state agencies of data received from the system; and

(2) developing new strategies for state agencies to use system data in ways that generate fiscal savings for the state.

(c) Not later than October 15, 2012, the commission, the Department of Aging and Disability Services, the Texas Veterans Commission, and the Veterans' Land Board collectively shall submit to the governor and the Legislative Budget Board a report describing:

(1) the frequency and success with which state agencies have used the system;

(2) the costs to the state that were avoided as a result of state agencies' use of the system; and

(3) recommendations for future use of the system by state agencies.

(d) Subsection (c) and this subsection expire September 2, 2013.

SECTION 2.02. Not later than December 1, 2011, the Health and Human Services Commission, the Department of Aging and Disability Services, the Texas Veterans Commission, and the Veterans' Land Board shall enter into a memorandum of understanding as required by Section 531.0998, Government Code, as added by this article.

ARTICLE 3. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS

SECTION 3.01. Section 31.0325, Human Resources Code, is

repealed.

SECTION 3.02. On the effective date of this Act, the Health and Human Services Commission and each health and human services agency, as defined by Section 531.001, Government Code, shall discontinue using electronic fingerprint-imaging or photo-imaging of applicants for and recipients of financial assistance under Chapter 31, Human Resources Code, or food stamp benefits under Chapter 33, Human Resources Code.

ARTICLE 4. MEDICAID PROGRAM

SECTION 4.01. (a) Section 531.001, Government Code, is amended by adding Subdivision (7) to read as follows:

(7) "Telemonitoring" means the use of telecommunications and information technology to provide access to health assessment, intervention, consultation, supervision, and information across distance. Telemonitoring includes the use of technologies such as telephones, facsimile machines, e-mail systems, text messaging systems, and remote patient monitoring devices to collect and transmit patient data for monitoring and interpretation.

(b) Subchapter B, Chapter 531, Government Code, is amended by adding Sections 531.02176, 531.02177, and 531.02178 to read as follows:

Sec. 531.02176. MEDICAID TELEMONITORING PILOT PROGRAMS FOR DIABETES. (a) The commission shall determine whether the Medicaid Enhanced Care program's diabetes self-management training telemonitoring pilot program was cost neutral.

(b) In determining whether the pilot program described by

Subsection (a) was cost neutral, the commission shall, at a minimum, compare:

(1) the health care costs of program participants who received telemonitoring services with the health care costs of a group of Medicaid recipients who did not receive telemonitoring services;

(2) the health care services used by program participants who received telemonitoring services with the health care services used by a group of Medicaid recipients who did not receive telemonitoring services;

(3) for program participants who received telemonitoring services, the amount spent on health care services before, during, and after the receipt of telemonitoring services; and

(4) for program participants who received telemonitoring services, the health care services used before, during, and after the receipt of telemonitoring services.

(c) If the commission determines that the pilot program described by Subsection (a) was cost neutral, the executive commissioner shall adopt rules for providing telemonitoring services through the Medicaid Texas Health Management Program for select diabetes patients in a manner comparable to that program.

(d) If the commission determines that the pilot program described by Subsection (a) was not cost neutral, the commission shall develop and implement within the Medicaid Texas Health Management Program for select diabetes patients a new diabetes telemonitoring pilot program based on evidence-based best

practices, provided that the commission determines implementing the new diabetes telemonitoring pilot program would be cost neutral.

(e) In determining whether implementing a new diabetes telemonitoring pilot program under Subsection (d) would be cost neutral, the commission shall consider appropriate factors, including the following:

(1) the target population, participant eligibility criteria, and the number of participants to whom telemonitoring services would be provided;

(2) the type of telemonitoring technology to be used;

(3) the estimated cost of the telemonitoring services to be provided;

(4) the estimated cost differential to the state based on changes in participants' use of emergency department services, outpatient services, pharmaceutical and ancillary services, and inpatient services other than inpatient labor and delivery services; and

(5) other indirect costs that may result from the provision of telemonitoring services.

Sec. 531.02177. MEDICAID TELEMONITORING PILOT PROGRAM FOR CERTAIN CONDITIONS. (a) The commission shall develop and implement a pilot program within the Medicaid Texas Health Management Program to evaluate the cost neutrality of providing telemonitoring services to persons who are diagnosed with health conditions other than diabetes, if the commission determines implementing the pilot program would be cost neutral.

(b) In determining whether implementing a pilot program under Subsection (a) would be cost neutral, the commission shall consider appropriate factors, including the following:

(1) the types of health conditions that could be assessed through the program by reviewing existing research and other evidence on the effectiveness of providing telemonitoring services to persons with those conditions;

(2) the target population, participant eligibility criteria, and the number of participants to whom telemonitoring services would be provided;

(3) the type of telemonitoring technology to be used;

(4) the estimated cost of the telemonitoring services to be provided;

(5) the estimated cost differential to the state based on changes in participants' use of emergency department services, outpatient services, pharmaceutical and ancillary services, and inpatient services other than inpatient labor and delivery services; and

(6) other indirect costs that may result from the provision of telemonitoring services.

Sec. 531.02178. DISSEMINATION OF INFORMATION ABOUT EFFECTIVE TELEMONITORING STRATEGIES. The commission shall annually:

(1) identify telemonitoring strategies implemented within the Medicaid program that have demonstrated cost neutrality or resulted in improved performance on key health measures; and

(2) disseminate information about the identified

strategies to encourage the adoption of effective telemonitoring strategies.

(c) Not later than January 1, 2012, the executive commissioner of the Health and Human Services Commission shall adopt the rules required by Section 531.02176(c), Government Code, as added by this section, if the commission determines that the Medicaid Enhanced Care program's diabetes self-management training telemonitoring pilot program was cost neutral.

(d) Not later than September 1, 2012, the Health and Human Services Commission shall determine whether implementing a new diabetes telemonitoring pilot program would be cost neutral if required by Section 531.02176(d), Government Code, as added by this section, and report that determination to the governor and the Legislative Budget Board.

(e) Not later than September 1, 2012, the Health and Human Services Commission shall determine whether implementing a telemonitoring pilot program for health conditions other than diabetes would be cost neutral as required by Section 531.02177(a), Government Code, as added by this section, and report that determination to the governor and the Legislative Budget Board.

SECTION 4.02. Subchapter B, Chapter 531, Government Code, is amended by adding Sections 531.02417 and 531.024171 to read as follows:

Sec. 531.02417. MEDICAID NURSING SERVICES ASSESSMENTS. (a) In this section, "acute nursing services" means home health skilled nursing services, home health aide services, and private duty nursing services.

(b) The commission shall develop an objective assessment process for use in assessing the needs of a Medicaid recipient for acute nursing services. The commission shall require that:

(1) the assessment be conducted by a state employee or contractor who is not the person who will deliver any necessary services to the recipient and is not affiliated with the person who will deliver those services; and

(2) the process include:

(A) an assessment of specified criteria and documentation of the assessment results on a standard form; and

(B) completion by the person conducting the assessment of any documents related to obtaining prior authorization for necessary nursing services.

(c) The commission shall:

(1) implement the objective assessment process developed under Subsection (b) within the Medicaid fee-for-service model and the primary care case management Medicaid managed care model; and

(2) take necessary actions, including modifying contracts with managed care organizations under Chapter 533 to the extent allowed by law, to implement the process within the STAR and STAR+PLUS Medicaid managed care programs.

Sec. 531.024171. THERAPY SERVICES ASSESSMENTS. (a) In this section, "therapy services" includes occupational, physical, and speech therapy services.

(b) After implementing the objective assessment process for acute nursing services as required by Section 531.02417, the

commission shall consider whether implementing a comparable process with respect to assessing the needs of a Medicaid recipient for therapy services would be feasible and beneficial.

(c) If the commission determines that implementing a comparable process with respect to one or more types of therapy services is feasible and would be beneficial, the commission may implement the process within:

(1) the Medicaid fee-for-service model;

(2) the primary care case management Medicaid managed care model; and

(3) the STAR and STAR+PLUS Medicaid managed care programs.

SECTION 4.03. Subchapter B, Chapter 531, Government Code, is amended by adding Sections 531.086 and 531.0861 to read as follows:

Sec. 531.086. STUDY REGARDING PHYSICIAN INCENTIVE PROGRAMS TO REDUCE HOSPITAL EMERGENCY ROOM USE FOR NON-EMERGENT CONDITIONS. (a) The commission shall conduct a study to evaluate physician incentive programs that attempt to reduce hospital emergency room use for non-emergent conditions by recipients under the medical assistance program. Each physician incentive program evaluated in the study must:

(1) be administered by a health maintenance organization participating in the STAR or STAR + PLUS Medicaid managed care program; and

(2) provide incentives to primary care providers who attempt to reduce emergency room use for non-emergent conditions by

recipients.

(b) The study conducted under Subsection (a) must evaluate:

(1) the cost-effectiveness of each component included in a physician incentive program; and

(2) any change in statute required to implement each component within the Medicaid fee-for-service or primary care case management model.

(c) Not later than August 31, 2012, the executive commissioner shall submit to the governor and the Legislative Budget Board a report summarizing the findings of the study required by this section.

(d) This section expires September 1, 2013.

Sec. 531.0861. PHYSICIAN INCENTIVE PROGRAM TO REDUCE HOSPITAL EMERGENCY ROOM USE FOR NON-EMERGENT CONDITIONS. (a) The executive commissioner by rule shall establish a physician incentive program designed to reduce the use of hospital emergency room services for non-emergent conditions by recipients under the medical assistance program.

(b) In establishing the physician incentive program under Subsection (a), the executive commissioner may include only the program components identified as cost-effective in the study conducted under Section 531.086.

(c) If the physician incentive program includes the payment of an enhanced reimbursement rate for routine after-hours appointments, the executive commissioner shall implement controls to ensure that the after-hours services billed are actually being provided outside of normal business hours.

ARTICLE 5. FEDERAL AUTHORIZATION; EFFECTIVE DATE

SECTION 5.01. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 5.02. This Act takes effect September 1, 2011.