

By: Martinez Fischer

H.B. No. 3722

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to expanding eligibility for benefits under the Medicaid  
3 program and transitioning the delivery of benefits under the  
4 Medicaid program from delivery through a managed care model or  
5 arrangement to delivery through an integrated and coordinated  
6 health care delivery system.

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

8 ARTICLE 1. INTEGRATED AND COORDINATED HEALTH CARE DELIVERY SYSTEM

9 SECTION 1.01. Subtitle I, Title 4, Government Code, is  
10 amended by adding Chapter 533B to read as follows:

11 CHAPTER 533B. INTEGRATED AND COORDINATED HEALTH CARE DELIVERY  
12 SYSTEM

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 533B.001. DEFINITIONS. In this chapter:

15 (1) "Commission" means the Health and Human Services  
16 Commission or an agency operating part of the state Medicaid  
17 integrated and coordinated health care delivery system, as  
18 appropriate, notwithstanding Section 531.001.

19 (2) "Coordinated care organization" means an entity as  
20 described by Section 533B.053 that is responsible for the delivery  
21 of health care services under the integrated and coordinated health  
22 care delivery system.

23 (3) "Recipient" means a recipient of medical  
24 assistance under Chapter 32, Human Resources Code.

1       Sec. 533B.002. PURPOSE. (a) The legislature finds that:

2               (1) a significant amount of public and private money  
3 is spent each year for the provision of health care to Texans;

4               (2) the state has a strong interest in assisting Texas  
5 businesses and individuals to obtain reasonably available  
6 insurance or other coverage for the costs of necessary basic health  
7 care services;

8               (3) the lack of basic health care coverage is  
9 detrimental not only to the health of individuals lacking coverage,  
10 but also to the public welfare and the state's need to encourage  
11 employment growth and economic development, and that lack of  
12 coverage results in substantial expenditures for emergency and  
13 remedial health care for all purchasers of health care including  
14 the state; and

15               (4) the use of integrated and coordinated health care  
16 delivery systems has significant potential to reduce the growth of  
17 health care costs incurred by the people of this state.

18       (b) The legislature finds that achieving its goals of  
19 improving health, increasing the quality, reliability,  
20 availability, and continuity of care, and reducing the cost of care  
21 requires an integrated and coordinated health care delivery system  
22 in which:

23               (1) individuals who are eligible for benefits under  
24 both the Medicare and Medicaid programs participate;

25               (2) health care services, other than Medicaid-funded  
26 long-term care services, are delivered through coordinated care  
27 contracts that use alternative payment methodologies to improve

1 health and health care by focusing on:

2 (A) prevention;

3 (B) improving health equity and reducing health  
4 disparities; and

5 (C) using:

6 (i) patient-centered primary care homes;

7 (ii) evidence-based practices; and

8 (iii) health information technology;

9 (3) high-quality information is collected and used to  
10 measure health outcomes, health care quality and costs, and  
11 clinical health information;

12 (4) communities and regions are accountable for  
13 improving the health of residents of the communities and regions,  
14 reducing avoidable health gaps among different cultural groups and  
15 managing health care resources;

16 (5) care and services emphasize preventive services  
17 and services supporting individuals to live independently at home  
18 or in their community;

19 (6) services are person-centered, and provide choice,  
20 independence and dignity as reflected in individual plans and  
21 assistance provided in accessing care and services; and

22 (7) interactions between the commission and  
23 coordinated care organizations are transparent and public.

24 (c) The legislature finds that there is an extreme need for  
25 a skilled, diverse workforce to meet the rapidly growing demand for  
26 home and community-based health care. To meet that need, this state  
27 must:

- 1           (1) build on existing training programs;
- 2           (2) ensure that wages and benefits are at levels that  
3 reduce turnover and increase experience and quality of care; and
- 4           (3) provide an opportunity for front-line health care  
5 providers to have a voice in the providers' workplace in order to  
6 effectively advocate for quality care.

7           Sec. 533B.003. REFERENCE IN OTHER LAW. A reference in law  
8 to a Medicaid managed care delivery system or arrangement under  
9 Chapter 533 is a reference to the integrated and coordinated health  
10 care delivery system implemented under this chapter.

11           Sec. 533B.004. CONFLICT WITH OTHER LAW. To the extent of a  
12 conflict between a provision of this chapter and another provision  
13 of state law, the provision of this chapter controls.

14                   SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

15           Sec. 533B.051. INTEGRATED AND COORDINATED HEALTH CARE  
16 DELIVERY SYSTEM. (a) In this section, "medical assistance" has the  
17 meaning assigned by Section 32.003, Human Resources Code.

18           (b) The commission shall develop and implement a plan to  
19 transition the delivery of medical assistance benefits from  
20 delivery through a managed care model or arrangement to delivery  
21 through an integrated and coordinated health care delivery system  
22 implemented in accordance with this chapter. In developing the plan  
23 under this section, the commission shall use as a guide the  
24 provisions of other states' laws regarding integrated and  
25 coordinated health care delivery systems, including Oregon Laws  
26 Chapter 602 (H.B. 3650), Acts of the 76th Legislature, 2011.

27           Sec. 533B.052. REQUIRED CONTRACT CRITERIA. The executive

1 commissioner shall by rule adopt criteria for a contract with a  
2 coordinated care organization. The commission shall integrate the  
3 criteria into each contract with a coordinated care organization.

4 The criteria must include:

5 (1) provisions that ensure each recipient has a  
6 consistent and stable relationship with a care team that is  
7 responsible for comprehensive care management and service  
8 delivery;

9 (2) provisions that require the use of health  
10 information technology to link services and care providers across  
11 the continuum of care to the greatest extent possible;

12 (3) a requirement that each coordinated care  
13 organization convenes a community advisory council made up mostly  
14 of consumers of health care services but that also includes  
15 representatives from the community and of local government, and  
16 that the council meets regularly to ensure that the health care  
17 needs of the consumers and the community are being addressed;

18 (4) a requirement that each coordinated care  
19 organization submits to the commission a report of outcome and  
20 quality measures as determined by the commission; and

21 (5) a requirement that each coordinated care  
22 organization enter into a contract with a dental care organization  
23 that serves recipients of the coordinated care organization in the  
24 region in which the recipients reside.

25 Sec. 533B.053. COORDINATED CARE ORGANIZATION ELIGIBILITY  
26 REQUIREMENTS. In order to enter into a contract with the commission  
27 to provide health care services as a coordinated care organization,

1 an entity must:

2 (1) be a locally based community organization, or a  
3 statewide organization that has participants that are locally based  
4 community organizations; and

5 (2) have a governance structure that includes:

6 (A) a majority interest consisting of the persons  
7 that share in the financial risk of the organization;

8 (B) the major components of the health care  
9 delivery system, as determined by the commission; and

10 (C) the community at large, to ensure that the  
11 organization's decision-making is consistent with the values of the  
12 members and the community.

13 Sec. 533B.054. ALTERNATIVE PAYMENT METHODS. The commission  
14 shall develop and implement the integrated and coordinated health  
15 care delivery system in a manner that promotes and encourages the  
16 use of alternative payment methods that:

17 (1) reimburse providers on the basis of health  
18 outcomes and quality measures rather than the volume of care; and

19 (2) use payment structures that create incentives to:

20 (A) promote prevention;

21 (B) provide patient-centered care; and

22 (C) reward comprehensive care coordination using  
23 delivery models such as patient-centered primary care homes.

24 SECTION 1.02. Chapter 533, Government Code, is repealed.

25 SECTION 1.03. As soon as possible after the effective date  
26 of this Act, the executive commissioner of the Health and Human  
27 Services Commission shall take all necessary actions to transition

1 the delivery of medical assistance benefits under the Medicaid  
2 program from using a managed care delivery model or arrangement to  
3 using an integrated and coordinated health care delivery system  
4 beginning January 1, 2014, and in accordance with Chapter 533B,  
5 Government Code, as added by this article.

6 SECTION 1.04. Notwithstanding Chapter 533B, Government  
7 Code, as added by this article, and Section 1.02 of this article,  
8 the Health and Human Services Commission shall continue to provide  
9 medical assistance through a Medicaid managed care delivery model  
10 or arrangement until the integrated and coordinated health care  
11 delivery system is implemented under Chapter 533B, Government Code,  
12 as added by this article.

13 ARTICLE 2. MEDICAID EXPANSION

14 SECTION 2.01. Chapter 32, Human Resources Code, is amended  
15 by adding Subchapter H to read as follows:

16 SUBCHAPTER H. EXPANSION OF ELIGIBILITY FOR MEDICAL ASSISTANCE

17 Sec. 32.351. DEFINITIONS. In this subchapter:

18 (1) "Commission" means the Health and Human Services  
19 Commission.

20 (2) "Executive commissioner" means the executive  
21 commissioner of the Health and Human Services Commission.

22 Sec. 32.352. EXPANDED ELIGIBILITY FOR MEDICAL ASSISTANCE  
23 UNDER PATIENT PROTECTION AND AFFORDABLE CARE ACT. (a)

24 Notwithstanding any other law, the commission shall provide medical  
25 assistance to all persons who apply for that assistance and for whom  
26 federal matching funds are available under the Patient Protection  
27 and Affordable Care Act (Pub. L. No. 111-148) as amended by the

1 Health Care and Education Reconciliation Act of 2010 (Pub. L. No.  
2 111-152) to provide that assistance.

3 (b) The executive commissioner shall adopt rules regarding  
4 the provision of medical assistance as required by this section.

5 SECTION 2.02. Section 32.352, Human Resources Code, as  
6 added by this article, applies only to an initial determination or  
7 recertification of eligibility of a person for medical assistance  
8 under Chapter 32, Human Resources Code, made on or after January 1,  
9 2014, regardless of the date the person applied for that  
10 assistance.

11 SECTION 2.03. As soon as possible after the effective date  
12 of this Act, the executive commissioner of the Health and Human  
13 Services Commission shall take all necessary actions to expand  
14 eligibility for medical assistance under Chapter 32, Human  
15 Resources Code, beginning January 1, 2014, and in accordance with  
16 Section 32.352, Human Resources Code, as added by this article,  
17 including notifying appropriate federal agencies of that expanded  
18 eligibility.

19 ARTICLE 3. FEDERAL AUTHORIZATION AND EFFECTIVE DATE

20 SECTION 3.01. If before implementing any provision of this  
21 Act a state agency determines that a waiver or authorization from a  
22 federal agency is necessary for implementation of that provision,  
23 the agency affected by the provision shall request the waiver or  
24 authorization and may delay implementing that provision until the  
25 waiver or authorization is granted.

26 SECTION 3.02. This Act takes effect immediately if it  
27 receives a vote of two-thirds of all the members elected to each



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1 house, as provided by Section 39, Article III, Texas Constitution.  
2 If this Act does not receive the vote necessary for immediate  
3 effect, this Act takes effect September 1, 2013.