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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. ____

BY: *Garth Davis*

Amend CSHB 1 (House committee printing) in Article XI of the bill by adding the following appropriately numbered section:

Sec. ____. **Cost Savings for the Benefit of Caregiver Wages and Benefits and Other Programs.** (a) Included in appropriations to the Health and Human Services Commission (HHSC) in Goal B, Medicaid, is a reduction in General Revenue Funds and in Federal Funds in fiscal years 2016 and 2017, in an amount equal to the savings realized from implementation of the actions described by Subsection (b) of this rider. HHSC is authorized to transfer these reductions between fiscal years and to allocate these reductions among health and human services agencies as listed in Chapter 531, Government Code, to the extent consistent with Subsection (c) of this rider and pursuant to the notification requirements included in Subsection (d) of this rider.

(b) This reduction shall be achieved through the implementation of the plan described under Subsection (d), which may include any or all of the following initiatives:

(1) Continue strengthening and expanding prior authorization and utilization reviews;

(2) Incentivize appropriate neonatal intensive care unit utilization coding;

(3) Fully implement dually eligible Medicare/Medicaid integrated care model and long-term services and supports quality payment initiative;

(4) Maximize co-payments in Medicaid programs;

(5) Increase fraud, waste, and abuse prevention and detection;

(6) Explore changes to premium structure for managed care organizations and contracting tools to reduce costs and increase efficiency;

(7) Renegotiate more efficient contracts;

(8) Develop a dynamic premium development process for managed care organizations that has an ongoing methodology for reducing inappropriate utilization, improving outcomes, reducing unnecessary spending, and increasing efficiency;

(9) Implement fee-for-service payment changes and managed care premium adjustments that incentivize the most appropriate and effective use of services;

(10) Improve birth outcomes, including improving access to information and payment reform;

(11) Increase efficiencies in the vendor drug program;

(12) Increase third party recoupments;

(13) Create a pilot program on motor vehicle subrogation; and

(14) Implement additional initiatives identified by HHSC.

(c) From cost savings realized as a result of implementation of the initiatives described by Subsection (b) of this rider, HHSC must use an amount equal to \$141.0 million for rate enhancement for long-term services and support providers. The funds described by this subsection are in addition to any other funds appropriated under this Act for long-term services and support providers.

(d) HHSC shall develop a plan to allocate the reductions required by Subsection (a) of this rider by taking actions such as those suggested under Subsection (b) of this rider to the budgets of health and human services agencies as listed in Chapter 531, Government Code. The

plan must include reduction amounts by strategy and fiscal year and must be submitted in writing before December 1, 2015, to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.