

By: Raymond, Klick

H.B. No. 3523

A BILL TO BE ENTITLED

AN ACT

relating to improving the delivery and quality of Medicaid acute care services and long-term care services and supports.

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

SECTION 1. Section 533.00251(g), Government Code, is amended to read as follows:

(g) Subsection [~~Subsections (c),~~] (d)[~~, (e), and (f)~~] and this subsection expire September 1, 2019.

SECTION 2. Section 534.053, Government Code, is amended by adding Subsection (e-1) and amending Subsection (g) to read as follows:

(e-1) The advisory committee may establish work groups that meet at other times for purposes of studying and making recommendations on issues the committee considers appropriate.

(g) On January 1, 2026 [~~2024~~]:

(1) the advisory committee is abolished; and

(2) this section expires.

SECTION 3. Section 534.054, Government Code, as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 534.054. ANNUAL REPORT ON IMPLEMENTATION. (a) Not later than September 30 of each year, the commission, in consultation and collaboration with the advisory committee, shall prepare and submit a report to the legislature that must include

1 ~~[regarding]~~:

2 (1) an assessment of the implementation of the system
3 required by this chapter, including appropriate information
4 regarding the provision of acute care services and long-term
5 services and supports to individuals with an intellectual or
6 developmental disability under Medicaid as described by this
7 chapter; and

8 (2) recommendations regarding implementation of and
9 improvements to the system redesign, including recommendations
10 regarding appropriate statutory changes to facilitate the
11 implementation; and

12 (3) an assessment of the effect of the system on the
13 following:

14 (A) access to long-term services and supports;

15 (B) the quality of acute care services and
16 long-term services and supports;

17 (C) meaningful outcomes for Medicaid recipients
18 using person-centered planning, individualized budgeting, and
19 self-determination, including a person's inclusion in the
20 community;

21 (D) the integration of service coordination of
22 acute care services and long-term services and supports;

23 (E) the placement of individuals in housing that
24 is the least restrictive setting appropriate to an individual's
25 needs;

26 (F) employment assistance and customized,
27 integrated, competitive employment options; and

1 (G) the number and types of fair hearing and
2 appeals processes in accordance with applicable federal law.

3 (b) This section expires January 1, 2026 [2024].

4 SECTION 4. Section 534.104, Government Code, is amended by
5 amending Subsection (a), as amended by S.B. No. 219, Acts of the
6 84th Legislature, Regular Session, 2015, amending Subsections (c),
7 (d), (e), and (g), and adding Subsection (h) to read as follows:

8 (a) The department, in consultation and collaboration with
9 the advisory committee, shall identify private services providers
10 that are good candidates to develop a service delivery model
11 involving a managed care strategy based on capitation and to test
12 the model in the provision of long-term services and supports under
13 Medicaid to individuals with an intellectual or developmental
14 disability through a pilot program established under this
15 subchapter.

16 (c) A managed care strategy based on capitation developed
17 for implementation through a pilot program under this subchapter
18 must be designed to:

19 (1) increase access to long-term services and
20 supports;

21 (2) improve quality of acute care services and
22 long-term services and supports;

23 (3) promote meaningful outcomes by using
24 person-centered planning, individualized budgeting, and
25 self-determination, and promote community inclusion [~~and~~
26 ~~customized, integrated, competitive employment~~];

27 (4) promote integrated service coordination of acute

1 care services and long-term services and supports;

2 (5) promote ~~[efficiency and the best use of funding,~~

3 ~~[(6) promote]~~ the placement of an individual in
4 housing that is the least restrictive setting appropriate to the
5 individual's needs;

6 (6) ~~[(7)]~~ promote employment assistance and
7 customized, integrated, and competitive ~~[supported]~~ employment;

8 (7) ~~[(8)]~~ provide fair hearing and appeals processes
9 in accordance with applicable federal law; and

10 (8) ~~[(9)]~~ promote sufficient flexibility to achieve
11 the goals listed in this section through the pilot program.

12 (d) The department, in consultation and collaboration with
13 the advisory committee, shall evaluate each submitted managed care
14 strategy proposal and determine whether:

15 (1) the proposed strategy satisfies the requirements
16 of this section; and

17 (2) the private services provider that submitted the
18 proposal has a demonstrated ability to provide the long-term
19 services and supports appropriate to the individuals who will
20 receive services through the pilot program based on the proposed
21 strategy, if implemented.

22 (e) Based on the evaluation performed under Subsection (d),
23 the department may select as pilot program service providers one or
24 more private services providers with whom the commission will
25 contract.

26 (g) The department, in consultation and collaboration with
27 the advisory committee, shall analyze information provided by the

1 pilot program service providers and any information collected by
2 the department during the operation of the pilot programs for
3 purposes of making a recommendation about a system of programs and
4 services for implementation through future state legislation or
5 rules.

6 (h) The analysis under Subsection (g) must include an
7 assessment of the effect of the managed care strategies implemented
8 in the pilot programs on:

9 (1) access to long-term services and supports;

10 (2) the quality of acute care services and long-term
11 services and supports;

12 (3) meaningful outcomes using person-centered
13 planning, individualized budgeting, and self-determination,
14 including a person's inclusion in the community;

15 (4) the integration of service coordination of acute
16 care services and long-term services and supports;

17 (5) the placement of individuals in housing that is
18 the least restrictive setting appropriate to an individual's needs;

19 (6) employment assistance and customized, integrated,
20 competitive employment options; and

21 (7) the number and types of fair hearing and appeals
22 processes in accordance with applicable federal law.

23 SECTION 5. Sections 534.106(a) and (b), Government Code,
24 are amended to read as follows:

25 (a) The commission and the department shall implement any
26 pilot programs established under this subchapter not later than
27 September 1, 2017 ~~[2016]~~.

1 (b) A pilot program established under this subchapter may
2 ~~[must]~~ operate for up to ~~[not less than]~~ 24 months. A ~~[, except that~~
3 ~~a]~~ pilot program may cease operation ~~[before the expiration of 24~~
4 ~~months]~~ if the pilot program service provider terminates the
5 contract with the commission before the agreed-to termination date.

6 SECTION 6. Section [534.108](#)(d), Government Code, is amended
7 to read as follows:

8 (d) The ~~[On or before December 1, 2016, and December 1,~~
9 ~~2017, the]~~ commission and the department, in consultation and
10 collaboration with the advisory committee, shall review and
11 evaluate the progress and outcomes of each pilot program
12 implemented under this subchapter and submit, as part of the annual
13 report to the legislature required by Section [534.054](#), a report to
14 the legislature during the operation of the pilot programs. Each
15 report must include recommendations for program improvement and
16 continued implementation.

17 SECTION 7. Section [534.110](#), Government Code, as amended by
18 S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015,
19 is amended to read as follows:

20 Sec. 534.110. TRANSITION BETWEEN PROGRAMS. (a) The
21 commission shall ensure that there is a comprehensive plan for
22 transitioning the provision of Medicaid benefits between a Medicaid
23 waiver program or an ICF-IID program and a pilot program under this
24 subchapter to protect continuity of care.

25 (b) The transition plan shall be developed in consultation
26 and collaboration with the advisory committee and with stakeholder
27 input as described by Section [534.103](#).

SECTION 8. Section 534.151, Government Code, as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 534.151. DELIVERY OF ACUTE CARE SERVICES FOR INDIVIDUALS WITH AN INTELLECTUAL OR DEVELOPMENTAL DISABILITY. (a) Subject to Section 533.0025, the commission shall provide acute care Medicaid benefits to individuals with an intellectual or developmental disability through the STAR + PLUS Medicaid managed care program or the most appropriate integrated capitated managed care program delivery model and monitor the provision of those benefits.

(b) The commission and the department, in consultation and collaboration with the advisory committee, shall analyze the outcomes of providing acute care Medicaid benefits to individuals with an intellectual or developmental disability under a model specified in Subsection (a). The analysis must:

(1) include an assessment of the effects on:

(A) access to and quality of acute care services;

and

(B) the number and types of fair hearing and appeals processes in accordance with applicable federal law;

(2) be incorporated into the annual report to the legislature required under Section 534.054; and

(3) include recommendations for delivery model improvements and implementation for consideration by the legislature, including recommendations for needed statutory changes.

SECTION 9. The heading to Section 534.152, Government Code, is amended to read as follows:

Sec. 534.152. DELIVERY OF CERTAIN OTHER SERVICES UNDER STAR + PLUS MEDICAID MANAGED CARE PROGRAM AND BY WAIVER PROGRAM PROVIDERS.

SECTION 10. Section 534.152, Government Code, is amended by adding Subsection (g) to read as follows:

(g) The department may contract with providers participating in the home and community-based services (HCS) waiver program, the Texas home living (TxHmL) waiver program, the community living assistance and support services (CLASS) waiver program, or the deaf-blind with multiple disabilities (DBMD) waiver program for the delivery of basic attendant and habilitation services described in Subsection (a) for individuals to which that subsection applies. The department has regulatory and oversight authority over the providers with which the department contracts for the delivery of those services.

SECTION 11. Section 534.201, Government Code, is amended by amending Subsections (b) and (e), as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, amending Subsection (d), and adding Subsection (g) to read as follows:

(b) On or after ~~[Not later than]~~ September 1, 2018 ~~[2017]~~, the commission may ~~[shall]~~ transition the provision of Medicaid benefits to individuals to whom this section applies to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as determined by the commission based on cost-effectiveness

1 and the experience of the STAR + PLUS Medicaid managed care program
2 in providing basic attendant and habilitation services and of the
3 pilot programs established under Subchapter C, subject to
4 Subsection (c)(1).

5 (d) In implementing the transition described by Subsection
6 (b), the commission, in consultation and collaboration with the
7 advisory committee, shall develop a process to receive and evaluate
8 input from interested statewide stakeholders [~~that is in addition~~
9 ~~to the input provided by the advisory committee~~].

10 (e) The commission, in consultation and collaboration with
11 the advisory committee, shall ensure that there is a comprehensive
12 plan for transitioning the provision of Medicaid benefits under
13 this section that protects the continuity of care provided to
14 individuals to whom this section applies.

15 (g) The commission, in consultation and collaboration with
16 the advisory committee, shall analyze the outcomes of the
17 transition of the long-term services and supports under the Texas
18 home living (TxHmL) Medicaid waiver program to a managed care
19 program delivery model. The analysis must:

20 (1) include an assessment of the effect of the
21 transition on:

22 (A) access to long-term services and supports;
23 (B) meaningful outcomes using person-centered
24 planning, individualized budgeting, and self-determination,
25 including a person's inclusion in the community;

26 (C) the integration of service coordination of
27 acute care services and long-term services and supports;

(D) employment assistance and customized, integrated, competitive employment options; and

(E) the number and types of fair hearing and appeals processes in accordance with applicable federal law;

(2) be incorporated into the annual report to the legislature required under Section 534.054; and

(3) include recommendations for improvements to the transition implementation for consideration by the legislature, including recommendations for needed statutory changes.

SECTION 12. Section 534.202(b), Government Code, as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b) After implementing the transition required by Section 534.201, if that transition is implemented ~~[but not later than September 1, 2020]~~, the commission may, on or after September 1, 2021, ~~[shall]~~ transition the provision of Medicaid benefits to individuals to whom this section applies to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as determined by the commission based on cost-effectiveness and the experience of the transition of Texas home living (TxHmL) waiver program recipients to a managed care program delivery model under Section 534.201, subject to Subsections (c)(1) and (g).

SECTION 13. 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

1 authorization and may delay implementing that provision until the
2 waiver or authorization is granted.

3 SECTION 14. This Act takes effect immediately if it
4 receives a vote of two-thirds of all the members elected to each
5 house, as provided by Section 39, Article III, Texas Constitution.
6 If this Act does not receive the vote necessary for immediate
7 effect, this Act takes effect September 1, 2015.