

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, Government Code, is amended by amending Subsection (c), as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, and amending Subsection (g) to read as follows:

(c) Subject to Section 533.0025 and notwithstanding any other law, the commission, in consultation with the advisory committee, shall provide benefits under Medicaid to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. In implementing this subsection, the commission shall ensure:

(1) that the commission is responsible for setting the minimum reimbursement rate paid to a nursing facility under the managed care program~~[, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement]~~;

(2) that a nursing facility is paid not later than the 10th day after the date the facility submits a clean claim;

(3) the appropriate utilization of services consistent with criteria established by the commission;

(4) a reduction in the incidence of potentially preventable events and unnecessary institutionalizations;

1 (5) that a managed care organization providing
2 services under the managed care program provides discharge
3 planning, transitional care, and other education programs to
4 physicians and hospitals regarding all available long-term care
5 settings;

6 (6) that a managed care organization providing
7 services under the managed care program:

8 (A) assists in collecting applied income from
9 recipients; and

10 (B) provides payment incentives to nursing
11 facility providers that reward reductions in preventable acute care
12 costs and encourage transformative efforts in the delivery of
13 nursing facility services, including efforts to promote a
14 resident-centered care culture through facility design and
15 services provided;

16 (7) the establishment of a portal that is in
17 compliance with state and federal regulations, including standard
18 coding requirements, through which nursing facility providers
19 participating in the STAR + PLUS Medicaid managed care program may
20 submit claims to any participating managed care organization;

21 (8) that rules and procedures relating to the
22 certification and decertification of nursing facility beds under
23 Medicaid are not affected; ~~and~~

24 (9) that a managed care organization providing
25 services under the managed care program, to the greatest extent
26 possible, offers nursing facility providers access to:

27 (A) acute care professionals; and

(B) telemedicine, when feasible and in accordance with state law, including rules adopted by the Texas Medical Board; and

(10) that the commission approves the staff rate enhancement methodology for the staff rate enhancement paid to a nursing facility that qualifies for the enhancement under the managed care program.

(g) Subsection ~~[Subsections (c), (d), (e), and (f)]~~ and this subsection expire September 1, 2021 ~~[2019]~~.

SECTION 2. Effective September 1, 2021, Section [533.00251](#)(c), Government Code, as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) Subject to Section [533.0025](#) and notwithstanding any other law, the commission, in consultation with the advisory committee, shall provide benefits under Medicaid to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. In implementing this subsection, the commission shall ensure:

~~(1) [that the commission is responsible for setting the minimum reimbursement rate paid to a nursing facility under the managed care program, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement,~~

~~[(2)]~~ that a nursing facility is paid not later than the 10th day after the date the facility submits a clean claim;

(2) ~~[(3)]~~ the appropriate utilization of services consistent with criteria established by the commission;

1 (3) [~~(4)~~] a reduction in the incidence of potentially
2 preventable events and unnecessary institutionalizations;

3 (4) [~~(5)~~] that a managed care organization providing
4 services under the managed care program provides discharge
5 planning, transitional care, and other education programs to
6 physicians and hospitals regarding all available long-term care
7 settings;

8 (5) [~~(6)~~] that a managed care organization providing
9 services under the managed care program:

10 (A) assists in collecting applied income from
11 recipients; and

12 (B) provides payment incentives to nursing
13 facility providers that reward reductions in preventable acute care
14 costs and encourage transformative efforts in the delivery of
15 nursing facility services, including efforts to promote a
16 resident-centered care culture through facility design and
17 services provided;

18 (6) [~~(7)~~] the establishment of a portal that is in
19 compliance with state and federal regulations, including standard
20 coding requirements, through which nursing facility providers
21 participating in the STAR + PLUS Medicaid managed care program may
22 submit claims to any participating managed care organization;

23 (7) [~~(8)~~] that rules and procedures relating to the
24 certification and decertification of nursing facility beds under
25 Medicaid are not affected; [~~and~~]

26 (8) [~~(9)~~] that a managed care organization providing
27 services under the managed care program, to the greatest extent

possible, offers nursing facility providers access to:

(A) acute care professionals; and

(B) telemedicine, when feasible and in accordance with state law, including rules adopted by the Texas Medical Board; and

(9) that the commission approves the staff rate enhancement methodology for the staff rate enhancement paid to a nursing facility that qualifies for the enhancement under the managed care program.

SECTION 3. 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 4. 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 ~~[regarding]~~:

(1) an assessment of the implementation of the system

required by this chapter, including appropriate information regarding the provision of acute care services and long-term services and supports to individuals with an intellectual or developmental disability under Medicaid as described by this chapter; ~~and~~

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

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

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

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

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

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

(E) the efficiency and use of funding;

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

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

(H) the number and types of fair hearing and

1 appeals processes in accordance with applicable federal law.

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

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

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

16 (b) The department shall solicit managed care strategy
17 proposals from the private services providers and managed care
18 organizations identified under Subsection (a). In addition, the
19 department may accept and approve a managed care strategy proposal
20 from any qualified entity that is a private services provider or
21 managed care organization if the proposal provides for a
22 comprehensive array of long-term services and supports, including
23 case management and service coordination.

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

27 (1) increase access to long-term services and

1 supports;

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

4 (3) promote meaningful outcomes by using
5 person-centered planning, individualized budgeting, and
6 self-determination, and promote community inclusion [~~and~~
7 ~~customized, integrated, competitive employment~~];

8 (4) promote integrated service coordination of acute
9 care services and long-term services and supports;

10 (5) promote efficiency and the best use of funding;

11 (6) promote the placement of an individual in housing
12 that is the least restrictive setting appropriate to the
13 individual's needs;

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

16 (8) provide fair hearing and appeals processes in
17 accordance with applicable federal law; and

18 (9) promote sufficient flexibility to achieve the
19 goals listed in this section through the pilot program.

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

23 (1) the proposed strategy satisfies the requirements
24 of this section; and

25 (2) the private services provider or managed care
26 organization that submitted the proposal has a demonstrated ability
27 to provide the long-term services and supports appropriate to the

1 individuals who will receive services through the pilot program
2 based on the proposed strategy, if implemented.

3 (e) Based on the evaluation performed under Subsection (d),
4 the department may select as pilot program service providers one or
5 more private services providers or managed care organizations with
6 whom the commission will contract.

7 (g) The department, in consultation and collaboration with
8 the advisory committee, shall analyze information provided by the
9 pilot program service providers and any information collected by
10 the department during the operation of the pilot programs for
11 purposes of making a recommendation about a system of programs and
12 services for implementation through future state legislation or
13 rules.

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

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

18 (2) the quality of acute care services and long-term
19 services and supports;

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

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

25 (5) the efficiency and use of funding;

26 (6) the placement of individuals in housing that is
27 the least restrictive setting appropriate to an individual's needs;

1 (7) employment assistance and customized, integrated,
2 competitive employment options; and

3 (8) the number and types of fair hearing and appeals
4 processes in accordance with applicable federal law.

5 SECTION 6. Sections 534.106(a) and (b), Government Code,
6 are amended to read as follows:

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

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

15 SECTION 7. Section 534.108(d), Government Code, is amended
16 to read as follows:

17 (d) The ~~[On or before December 1, 2016, and December 1,~~
18 ~~2017, the]~~ commission and the department, in consultation and
19 collaboration with the advisory committee, shall review and
20 evaluate the progress and outcomes of each pilot program
21 implemented under this subchapter and submit, as part of the annual
22 report to the legislature required by Section 534.054, a report to
23 the legislature during the operation of the pilot programs. Each
24 report must include recommendations for program improvement and
25 continued implementation.

26 SECTION 8. Section 534.110, Government Code, as amended by
27 S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015,

1 is amended to read as follows:

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

7 (b) The transition plan shall be developed in consultation
8 and collaboration with the advisory committee and with stakeholder
9 input as described by Section 534.103.

10 SECTION 9. Section 534.151, Government Code, as amended by
11 S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015,
12 is amended to read as follows:

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

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

26 (1) include an assessment of the effects on:

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

1 and

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

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

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

10 SECTION 10. The heading to Section 534.152, Government
11 Code, is amended to read as follows:

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

15 SECTION 11. Section 534.152, Government Code, is amended by
16 adding Subsection (g) to read as follows:

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

27 SECTION 12. Section 534.201, Government Code, is amended by

1 amending Subsections (b) and (e), as amended by S.B. No. 219, Acts
2 of the 84th Legislature, Regular Session, 2015, amending Subsection
3 (d), and adding Subsection (g) to read as follows:

4 (b) On ~~[Not later than]~~ September 1, 2018 ~~[2017]~~, the
5 commission shall transition the provision of Medicaid benefits to
6 individuals to whom this section applies to the STAR + PLUS Medicaid
7 managed care program delivery model or the most appropriate
8 integrated capitated managed care program delivery model, as
9 determined by the commission based on cost-effectiveness and the
10 experience of the STAR + PLUS Medicaid managed care program in
11 providing basic attendant and habilitation services and of the
12 pilot programs established under Subchapter C, subject to
13 Subsection (c)(1).

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

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

24 (g) The commission, in consultation and collaboration with
25 the advisory committee, shall analyze the outcomes of the
26 transition of the long-term services and supports under the Texas
27 home living (TxHmL) Medicaid waiver program to a managed care

program delivery model. The analysis must:

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

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

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

(C) the integration of service coordination of 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 13. 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, on ~~[but not later than]~~ September 1, 2021 ~~[2020]~~, the commission 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

1 determined by the commission based on cost-effectiveness and the
2 experience of the transition of Texas home living (TxHmL) waiver
3 program recipients to a managed care program delivery model under
4 Section 534.201, subject to Subsections (c)(1) and (g).

5 SECTION 14. If before implementing any provision of this
6 Act a state agency determines that a waiver or authorization from a
7 federal agency is necessary for implementation of that provision,
8 the agency affected by the provision shall request the waiver or
9 authorization and may delay implementing that provision until the
10 waiver or authorization is granted.

11 SECTION 15. Except as otherwise provided by this Act:

12 (1) this Act takes effect immediately if it receives a
13 vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution; and

15 (2) if this Act does not receive the vote necessary for
16 immediate effect, this Act takes effect September 1, 2015.

H.B. No. 3523

President of the Senate

Speaker of the House

I certify that H.B. No. 3523 was passed by the House on May 4, 2015, by the following vote: Yeas 138, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3523 on May 28, 2015, by the following vote: Yeas 142, Nays 1, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3523 was passed by the Senate, with amendments, on May 26, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor