

BILL ANALYSIS

S.B. 1927
By: Kolkhorst
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties have expressed a need to improve the cost-effectiveness, efficiency, and transparency of the Medicaid managed care system in Texas. S.B. 1927 seeks to do so by, among other provisions, establishing a framework for managed care organizations and the state to share Medicaid fraud recoveries and providing for certain studies relating to the provision of services to Medicaid recipients.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1927 amends the Government Code to require the Health and Human Services Commission (HHSC), to the extent permitted by federal law, to make available to the public on the HHSC website in an easy-to-read format data relating to the quality of health care received by and the health outcomes of Medicaid recipients. The bill requires such data to be made available in a manner that does not identify or allow for the identification of individual recipients. The bill authorizes HHSC, in performing its duties relating to this requirement, to collaborate with an institution of higher education or another state agency with experience in analyzing and producing public use data.

S.B. 1927 changes the entities responsible for immediately notifying the HHSC office of inspector general and the office of the attorney general on discovering fraud or abuse in Medicaid or the child health plan program (CHIP) and for taking certain payment recovery actions from the special investigative unit of a managed care organization that provides or arranges for the provision of health care services to an individual under a government-funded program or a contracting entity to that organization in general or the contracting entity. The bill specifies that the notification is written notice submitted in the form and manner prescribed by the inspector general's office and containing a detailed description of the fraud or abuse and each payment made to a provider as a result of the fraud or abuse. The bill changes the amount of money recovered from the payment recovery efforts begun following the discovery of the fraud or abuse that a managed care organization may retain from any money recovered to one-half of any money recovered and requires the organization to remit the remaining amount of money recovered to the inspector general's office for deposit to the credit of the general revenue fund.

S.B. 1927 entitles a managed care organization to one-half of the amount recovered for each

payment the organization identified after any applicable federal share is deducted if the HHSC office of inspector general notifies the organization that the organization is not authorized to proceed with recovery efforts due to the amount sought to be recovered, proceeds with recovery efforts, and recovers all or part of the payments the organization identified as resulting from fraud or abuse. The bill prohibits the organization from receiving more than one-half of the total amount of money recovered after any applicable federal share is deducted. The bill authorizes the HHSC inspector general's office, if the office discovers fraud, waste, or abuse in Medicaid or CHIP in the performance of its duties, to recover payments made to a provider as a result of the fraud, waste, or abuse and requires all such recovered payments to be deposited to the credit of the general revenue fund. The bill requires the HHSC inspector general's office to coordinate with appropriate managed care organizations to ensure that the office and an organization or an entity with which an organization contracts for the investigation of fraudulent claims and other types of program abuse by recipients and service providers do not both begin payment recovery efforts for the same case of fraud, waste, or abuse.

S.B. 1927 requires HHSC, not later than December 1, 2018, to develop and analyze options, including the potential costs of and cost savings that may be achieved by the options, for establishing a range of rates within which a managed care organization must bid during a competitive procurement process to contract with HHSC to arrange for or provide a managed care plan under Medicaid. The bill requires HHSC, not later than December 1, 2018, to assess the feasibility and cost-effectiveness of contracting with managed care organizations to arrange for or provide managed care plans to Medicaid recipients throughout Texas instead of on a regional basis and, in conducting the assessment, to consider regional variations in the cost of and access to health care services, recipient access to and choice of providers, the potential impact on providers, and public input. These provisions expire September 1, 2019.

S.B. 1927 requires HHSC, using existing resources, to identify and evaluate barriers preventing Medicaid recipients enrolled in the STAR + PLUS Medicaid managed care program or a home and community-based services waiver program from choosing the consumer directed services option and develop recommendations for increasing the percentage of Medicaid recipients enrolled in those programs who choose the consumer directed services option. The bill requires HHSC, using existing resources, to study the feasibility of establishing a community attendant registry to assist Medicaid recipients enrolled in the community attendant services program in locating providers. The bill requires HHSC to submit a report containing its findings and recommendations under those requirements to the governor, the legislature, and the Legislative Budget Board (LBB) not later than December 1, 2018, and authorizes the report to be combined with any other report required by the bill or other law.

S.B. 1927 requires HHSC to conduct a study to evaluate the 30-day limitation on reimbursement for inpatient hospital care provided to Medicaid recipients enrolled in the STAR + PLUS Medicaid managed care program under certain Texas Administrative Code provisions and other applicable law and sets out factors HHSC is required to consider in evaluating the limitation to the extent data is available on the subject. The bill requires HHSC to submit a report containing the results of the study to the governor, the legislature, and the LBB not later than December 1, 2018, and authorizes the report to be combined with any other report required by the bill or other law.

S.B. 1927 requires HHSC to conduct a study of the provision of dental services to adults with disabilities under the Medicaid program. The bill sets out certain topics to be included in the study and requires HHSC, in conducting the study, to identify the number of adults with disabilities whose Medicaid benefits include limited or no dental services and who, as a result, have sought medically necessary dental services during an emergency room visit; if feasible, estimate the number of adults with disabilities who are receiving services under the Medicaid program and who have access to alternative sources of dental care; and collect data on the receipt of dental services during emergency room visits by adults with disabilities who are receiving services under the Medicaid program, including the reasons for seeking dental services during an

emergency room visit and the costs of providing the dental services during an emergency room visit, as compared to the cost of providing the dental services in the community. The bill requires HHSC to submit a report containing the results of the study and HHSC's recommendations for improving access to dental services in the community for and reducing the provision of dental services during emergency room visits to adults with disabilities receiving services under the Medicaid program to the governor, the legislature, and the LBB not later than December 1, 2018, and authorizes the report to be combined with any other report required by the bill or other law.

EFFECTIVE DATE

September 1, 2017.