

By: Price

H.B. No. 3633

A BILL TO BE ENTITLED

AN ACT

relating to cost reporting requirements for certain facilities and providers participating in medical assistance programs.

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

SECTION 1. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.0285 to read as follows:

Sec. 32.0285. STREAMLINED COST REPORTING AND COST VALIDATION FOR CERTAIN PROVIDERS. (a) This section applies to a facility providing services under the ICF-IID program, as defined by Section 534.001, Government Code, or a home and community-based services (HCS) waiver program provider.

(b) The executive commissioner shall develop and implement a streamlined cost reporting system for facilities and providers to which this section applies. The streamlined cost reporting system must:

(1) be organized by program type; and

(2) not later than December 1 of each odd-numbered year, require each facility and provider to submit a financial statement detailing the applicable program's costs that complies with generally accepted accounting principles and contains the following cost categories:

(A) total income for each program;

(B) total costs for each program, reported by specific expense categories to be determined by commission rule;

1 (C) total costs for each service unit; and

2 (D) average payment rates for each program.

3 (c) The commission shall review the financial statement
4 required under Subsection (b) and use the financial statement to
5 evaluate a facility's or provider's compliance with any obligations
6 or requirements for participating in an incentive program
7 established under Section 32.028(g).

8 (d) In developing and implementing the streamlined cost
9 reporting system, the commission shall:

10 (1) consult with appropriate advisory committees to
11 obtain recommendations for the specific expense categories to be
12 included in the financial statement;

13 (2) ensure that any recommendations or rules adopted
14 based on recommendations provided under Subdivision (1):

15 (A) reduce administrative burdens and costs on
16 facilities and providers; and

17 (B) are consistent with:

18 (i) economic efficiency;

19 (ii) available resources and capacity of
20 small businesses; and

21 (iii) allowable and unallowable program
22 costs under Medicaid; and

23 (3) ensure that the streamlined cost reporting system:

24 (A) is implemented in a way that eases the
25 administrative burden on facilities and providers;

26 (B) establishes the relevant cost baselines and
27 framework for the cost determination and rate-setting processes;

1 and

2 (C) provides current and accurate data for
3 legislative reporting and budgeting.

4 (e) Not later than January 1 of each even-numbered year, the
5 commission shall randomly select 10 facilities and providers whose
6 financial reports the commission will use to validate program costs
7 reported in the financial statements for the preceding state fiscal
8 biennium required under Subsection (b). The executive commissioner
9 by rule shall designate small, medium, and large classes of
10 providers. The facilities and providers selected under this
11 subsection must include three facilities or providers from the
12 small providers class, four facilities or providers from the medium
13 providers class, and three facilities or providers from the large
14 providers class. The commission shall notify the facilities and
15 providers selected under this subsection not later than 120 days
16 before the date validation is scheduled to begin.

17 (f) A facility or provider that is selected under Subsection
18 (e) shall:

19 (1) cooperate with all reasonable requests from the
20 commission for necessary information and data to validate program
21 costs;

22 (2) hire additional staff as necessary to ensure
23 accurate and timely compliance with this section and rules adopted
24 under this section;

25 (3) contract with a certified public accountant to
26 audit the information and data collected by the facility or
27 provider; and

1 (4) submit detailed information and data of program
2 costs along with the report of the audit required under Subdivision
3 (3) in the form and manner prescribed by the commission.

4 (g) The commission shall review and analyze the report of
5 each audit required under Subsection (f) not later than August 31 of
6 each even-numbered year and prepare and submit a report to the
7 legislature based on those audits.

8 SECTION 2. If before implementing any provision of this Act
9 a state agency determines that a waiver or authorization from a
10 federal agency is necessary for implementation of that provision,
11 the agency affected by the provision shall request the waiver or
12 authorization and may delay implementing that provision until the
13 waiver or authorization is granted.

14 SECTION 3. Not later than November 1, 2017, the executive
15 commissioner of the Health and Human Services Commission shall
16 adopt rules necessary to implement the changes in law made by this
17 Act.

18 SECTION 4. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2017.