

By: Coleman

H.B. No. 4214

A BILL TO BE ENTITLED

AN ACT

relating to Medicaid funding in this state, including the federal government's participation in that funding.

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

SECTION 1. Section 531.02113, Government Code, is amended to read as follows:

Sec. 531.02113. OPTIMIZATION OF MEDICAID FINANCING. The commission shall ensure that the Medicaid finance system:

(1) is optimized to:

(A) ~~[(1)]~~ maximize the state's receipt of federal funds;

(B) ~~[(2)]~~ create incentives for providers to use preventive care;

(C) ~~[(3)]~~ increase and retain providers in the system to maintain an adequate provider network;

(D) ~~[(4)]~~ more accurately reflect the costs borne by providers; and

(E) ~~[(5)]~~ encourage the improvement of the quality of care; and

(2) complies with the requirements of Chapter 540, if applicable.

SECTION 2. Subtitle I, Title 4, Government Code, is amended by adding Chapter 540 to read as follows:

1           CHAPTER 540. MEDICAID FUNDING MODIFICATION

2           Sec. 540.0001. APPLICABILITY. This chapter applies to a  
3 waiver to the requirements of this state's Medicaid state plan or  
4 other authorization under Medicaid:

5           (1) for which the commission seeks approval from the  
6 federal government; and

7           (2) that, if approved, would change this state's  
8 receipt of federal money for Medicaid from the funding system in  
9 effect on January 1, 2017, to a block grant or other funding system.

10          Sec. 540.0002. PRIMARY GOAL OF MEDICAID FUNDING  
11 MODIFICATION. (a) The primary goal of a Medicaid funding  
12 modification the commission seeks through a waiver or other  
13 authorization to which this chapter applies must be to preserve the  
14 best interests of the residents of this state.

15          (b) The commission may not seek a waiver or other  
16 authorization to which this chapter applies that is contrary to the  
17 primary goal specified by Subsection (a) or that otherwise does not  
18 meet the requirements of this chapter.

19          Sec. 540.0003. ADEQUACY OF MEDICAID PROGRAM FUNDING. A  
20 Medicaid funding modification the commission seeks through a waiver  
21 or other authorization to which this chapter applies:

22          (1) must account for and ensure adequate, continued  
23 funding for:

24                 (A) anticipated growth in the number of persons  
25 in this state who will be eligible for and enroll in the Medicaid  
26 program; and

27                 (B) health care trends that may affect costs,

1 including:

2 (i) increases in utilization rates;

3 (ii) increases in the acuity of Medicaid

4 recipients;

5 (iii) advancements in medical technology;

6 and

7 (iv) advancements in specialized

8 prescription drugs; and

9 (2) may not be designed in a manner that allows for  
10 reductions in federal financial participation based on this state's  
11 effective management of Medicaid cost growth.

12 Sec. 540.0004. MAINTENANCE OF ELIGIBILITY REQUIREMENTS AND  
13 COVERED SERVICES. A waiver or other authorization to which this  
14 chapter applies must ensure that, at a minimum:

15 (1) the eligibility criteria for full Medicaid  
16 benefits in effect on January 1, 2017, are not made more restrictive  
17 under the waiver or authorization, including the eligibility  
18 criteria for low-income families, pregnant women, children,  
19 persons who are 65 years of age or older, and persons with  
20 disabilities;

21 (2) the eligibility criteria for limited Medicaid  
22 benefits in effect on January 1, 2017, are not made more restrictive  
23 under the waiver or authorization; and

24 (3) all acute care services and long-term services and  
25 supports covered by Medicaid on January 1, 2017, continue to be  
26 covered, regardless of whether those services are mandatory or  
27 optional services under federal law.

1       Sec. 540.0005. PROVIDER REIMBURSEMENTS AND OTHER PAYMENTS.

2       (a) A waiver or other authorization to which this chapter applies  
3       must ensure that the Medicaid funding modification the commission  
4       seeks through the waiver or authorization will:

5               (1) support the provision of adequate reimbursements  
6       to Medicaid providers, require reimbursement rates for those  
7       providers for the provision of Medicaid services to be at least  
8       equal to the rates in effect on January 1, 2017, and support  
9       periodic reimbursement rate increases based on health care trends;

10              (2) ensure continued provision of payments to  
11       hospitals equal to supplemental payments by this state to hospitals  
12       under supplemental payment programs in effect on January 1, 2017,  
13       which may include continued provision through increases in rates  
14       paid for direct hospital services to Medicaid enrollees; and

15              (3) prioritize use of supplemental payments to  
16       encourage continued development of comprehensive local and  
17       regional health care systems that include preventive, primary,  
18       specialty, outpatient, inpatient, mental health, and substance  
19       abuse services for individuals without health insurance.

20              (b) Reimbursement systems under a waiver or other  
21       authorization to which this chapter applies must encourage  
22       value-based payment arrangements for Medicaid providers and  
23       support efforts to promote quality of care.

24       SECTION 3. This Act takes effect immediately if it receives  
25 a vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2017.