

By: Perry

S.B. No. 2088

A BILL TO BE ENTITLED

AN ACT

relating to the reimbursement of rural hospitals in the Texas Medicaid program.

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

SECTION 1. Subtitle F, Title 1, Health and Safety Code, Chapter 533, Section 533.002 is amended to read as follows:

Sec. 533.002. PURPOSE. The commission shall implement the Medicaid managed care program by contracting with managed care organizations in a manner that, to the extent possible:

(1) improves the health of Texans by:

(A) emphasizing prevention;

(B) promoting continuity of care; and

(C) providing a medical home for recipients;

(2) ensures that each recipient receives high quality, comprehensive health care services in the recipient's local community;

(3) encourages the training of and access to primary care physicians and providers;

(4) maximizes cooperation with existing public health entities, including local departments of health;

(5) provides incentives to managed care organizations to improve the quality of health care services for recipients by providing value-added services; ~~and~~

(6) reduces administrative and other nonfinancial

1 barriers for recipients in obtaining health care services; and
2 (7) provides for reimbursement to rural hospitals as
3 defined in the Texas Medicaid program on a per individual hospital
4 cost basis using payment methodology established by the commission
5 that assures rural hospitals recover allowable cost incurred to
6 provide services to Medicaid beneficiaries. The commission may
7 directly reimburse rural hospitals or contract with managed care
8 organizations to process reimbursement payments however contracts
9 associated with managed care organizations must allow for full pass
10 through of allowable cost reimbursement to rural hospitals.

11 SECTION 2. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2017.