

By: Klick

H.B. No. 2409

A BILL TO BE ENTITLED

AN ACT

relating to establishing supplemental payment programs for the reimbursement of certain ambulance providers under Medicaid.

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

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

SUBCHAPTER H. SUPPLEMENTAL PAYMENT PROGRAM FOR CERTAIN AMBULANCE PROVIDERS

Sec. 32.351. DEFINITIONS. In this subchapter:

(1) "Participating provider" means an ambulance provider that participates in a supplemental payment program.

(2) "Supplemental payment program" means a supplemental payment program implemented under Section 32.352.

Sec. 32.352. AMBULANCE PROVIDER SUPPLEMENTAL PAYMENT PROGRAMS. The commission shall:

(1) develop and implement two programs, one under the Medicaid fee-for-service delivery model and one under the Medicaid managed care delivery model, designed to provide supplemental payments to eligible ambulance providers; and

(2) apply for and actively pursue from the federal Centers for Medicare and Medicaid Services or other appropriate federal agency any waiver or other authorization necessary to implement the programs required by this section.

Sec. 32.353. PROVIDER ELIGIBILITY. (a) An ambulance

1 provider is eligible to participate in a supplemental payment  
2 program if the provider:

3 (1) provides ground emergency medical transportation  
4 services to Medicaid recipients;

5 (2) is enrolled as a Medicaid provider at the time  
6 services are provided; and

7 (3) meets one of the following conditions:

8 (A) is a state or local governmental entity,  
9 including a state or local governmental entity that employs or  
10 contracts with persons who are licensed to provide emergency  
11 medical services in this state; or

12 (B) contracts, under an interlocal agreement,  
13 with a local governmental entity, including a local fire protection  
14 district, to provide emergency medical services in this state.

15 (b) Participation by a governmental entity in a  
16 supplemental payment program is voluntary.

17 Sec. 32.354. MEDICAID FEE-FOR-SERVICE SUPPLEMENTAL PAYMENT  
18 PROGRAM: REIMBURSEMENT REQUIREMENTS AND METHODOLOGY. (a) This  
19 section applies only to a supplemental payment program implemented  
20 under the Medicaid fee-for-service delivery model.

21 (b) A governmental entity that is a participating provider  
22 or contracts with a participating provider as described by Section  
23 32.353(a)(3)(B) shall:

24 (1) certify that the expenditures claimed for the  
25 provision of ground emergency medical transportation services to  
26 Medicaid recipients are public funds eligible for federal financial  
27 participation in accordance with the requirements of 42 C.F.R.

1 Section 433.51;

2 (2) provide evidence supporting the certification of  
3 public funds in the manner determined by the commission;

4 (3) submit data required by the commission for  
5 purposes of determining the amounts the commission may claim as  
6 expenditures qualifying for federal financial participation; and

7 (4) maintain and have readily available for the  
8 commission any records related to the expenditure.

9 (c) Under the supplemental payment program, the commission  
10 shall claim federal financial participation for expenditures  
11 described by Subsection (b)(1) that are allowable costs under the  
12 authorization to implement the supplemental payment program  
13 obtained under Section 32.352(2).

14 (d) A provider participating in the supplemental payment  
15 program shall receive, in addition to the rate of payment that the  
16 provider would otherwise receive for the provision of ground  
17 emergency medical transportation services to a Medicaid recipient,  
18 a supplemental reimbursement payment. The payment must:

19 (1) except as provided by Subsection (e), be equal to  
20 the amount of federal financial participation received by the  
21 commission for the service provided and claimed; and

22 (2) be paid on a per-transport basis or other  
23 federally permissible basis.

24 (e) The amount certified under Subsection (b)(1), when  
25 combined with the amount received by a participating provider from  
26 all sources of reimbursement under Medicaid, may not exceed 100  
27 percent of the provider's actual costs for the provision of

1 services. The commission shall reduce a payment to a participating  
2 provider to ensure compliance with this subsection.

3 Sec. 32.355. MEDICAID MANAGED CARE SUPPLEMENTAL PAYMENT  
4 PROGRAM: REIMBURSEMENT REQUIREMENTS AND METHODOLOGY. (a) In this  
5 section:

6 (1) "Managed care organization" has the meaning  
7 assigned by Section 533.001, Government Code.

8 (2) "Medicaid managed care organization" means a  
9 managed care organization that contracts with the commission under  
10 Chapter 533, Government Code, to provide health care services to  
11 Medicaid recipients.

12 (b) This section applies only to a supplemental payment  
13 program implemented under the Medicaid managed care delivery model.

14 (c) The commission shall develop the supplemental payment  
15 program under the Medicaid managed care delivery model in  
16 consultation with providers eligible to participate in the  
17 supplemental payment program. The supplemental payment program  
18 must use intergovernmental transfers to finance increased  
19 capitation payments for the purpose of supplementing the  
20 reimbursement amount paid to participating providers.

21 (d) To the extent intergovernmental transfers are  
22 voluntarily made by, and accepted from, a governmental entity that  
23 is a participating provider or contracts with a participating  
24 provider as described by Section 32.353(a)(3)(B), and the  
25 participating provider is a provider under a Medicaid managed care  
26 delivery model, the commission shall make increased capitation  
27 payments to the requisite Medicaid managed care organizations to be

1 used to pay the participating provider in accordance with an  
2 enhanced fee schedule that establishes a minimum reimbursement  
3 rate.

4 (e) The executive commissioner by rule shall adopt the  
5 enhanced fee schedule described by Subsection (d). The commission  
6 shall include a provision in each contract with a Medicaid managed  
7 care organization that requires the organization to pay  
8 reimbursement rates to participating providers in accordance with  
9 that schedule.

10 (f) The increased capitation payments made under the  
11 supplemental payment program and the enhanced fee schedule adopted  
12 under Subsection (e) must allow for a supplemental payment to a  
13 participating provider that is at least comparable in amount to the  
14 supplemental payment the provider would receive if providing the  
15 same service under the supplemental payment program implemented  
16 under the Medicaid fee-for-service delivery model under Section  
17 32.354.

18 (g) A managed care organization that receives an increased  
19 capitation payment under the supplemental payment program shall pay  
20 100 percent of the increase to the participating provider in  
21 accordance with the enhanced fee schedule adopted under Subsection  
22 (e).

23 (h) All federal matching money obtained as a result of an  
24 intergovernmental transfer under the supplemental payment program  
25 must be used to pay increased capitation payments and provide  
26 supplemental payments to participating providers.

27 (i) To the extent that the commission determines that an

1 intergovernmental transfer does not comply with the authorization  
2 obtained by the commission under Section 32.352(2), the commission  
3 may return the transfer, refuse to accept the transfer, or adjust  
4 the amount of the transfer as necessary to comply with the  
5 authorization.

6 (j) A participating provider and governmental entity that  
7 contracts with a participating provider must agree to comply with  
8 any requests for information or data requirements imposed by the  
9 commission for purposes of obtaining supporting documentation  
10 necessary to claim federal financial participation or obtain  
11 federal approval for implementation of the supplemental payment  
12 program.

13 (k) The commission shall ensure a Medicaid managed care  
14 organization complies with any request for information or similar  
15 requirements necessary to implement the supplemental payment  
16 program.

17 Sec. 32.356. FUNDING; USE OF GENERAL REVENUE PROHIBITED.

18 (a) The commission may not use general revenue to:

19 (1) administer a supplemental payment program; or  
20 (2) provide reimbursements under a supplemental  
21 payment program.

22 (b) A governmental entity that is a participating provider  
23 or contracts with a participating provider as described by Section  
24 32.353(a)(3)(B), as a condition of participating providers  
25 receiving supplemental payments under Section 32.354, must enter  
26 into and maintain an agreement with the commission to provide:

27 (1) the nonfederal share of the supplemental payments

1 by certifying expenditures to the commission in accordance with  
2 Section 32.354(b); and

3 (2) funding necessary to pay the cost of administering  
4 the supplemental payment program under Section 32.354.

5 (c) A governmental entity that is a participating provider  
6 or contracts with a participating provider as described by Section  
7 32.353(a)(3)(B), as a condition of participating providers  
8 receiving supplemental payments under Section 32.355, must enter  
9 into and maintain an agreement with the commission to provide:

10 (1) the nonfederal share of the increased capitation  
11 payments by making intergovernmental transfers as provided by  
12 Section 32.355; and

13 (2) funding necessary to pay the cost of administering  
14 the supplemental payment program under Section 32.355.

15 SECTION 2. (a) As soon as possible after the effective date  
16 of this Act, the Health and Human Services Commission shall seek any  
17 waiver or other authorization necessary to implement the  
18 supplemental payment programs required by Subchapter H, Chapter 32,  
19 Human Resources Code, as added by this Act.

20 (b) To the extent permitted by the waiver or other  
21 authorization necessary to implement the supplemental payment  
22 programs required by Subchapter H, Chapter 32, Human Resources  
23 Code, as added by this Act, the Health and Human Services Commission  
24 shall implement the supplemental payment program implemented under  
25 the Medicaid managed care program on a retroactive basis.

26 SECTION 3. This Act takes effect September 1, 2019.