

By: Perry

S.B. No. 170

A BILL TO BE ENTITLED

AN ACT

relating to reimbursement of rural hospitals participating in the Medicaid managed care program.

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

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.0041 to read as follows:

Sec. 533.0041. REIMBURSEMENT METHODOLOGY FOR RURAL HOSPITALS. To the extent allowed by federal law and notwithstanding any state law, the executive commissioner shall by rule adopt a reimbursement methodology for the payment of rural hospitals participating in the Medicaid managed care program that ensures the rural hospitals are reimbursed on an individual basis that allows the rural hospitals to fully recover allowable costs incurred in providing services to recipients. In adopting rules under this section, the executive commissioner:

(1) may adopt a methodology that requires:

(A) the commission to directly reimburse rural hospitals for allowable costs; or

(B) a managed care organization to reimburse rural hospitals; and

(2) shall define "allowable costs" and "rural hospital" for purposes of this section.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a

1 federal agency is necessary for implementation of that provision,  
2 the agency affected by the provision shall request the waiver or  
3 authorization and may delay implementing that provision until the  
4 waiver or authorization is granted.

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