

Amend Amendment No. 23 by Klick to **CSSB 1** (page 46, prefiled amendments packet) by striking the text of the amendment and substituting the following:

Amend **CSSB 1** (house committee printing) as follows:

(1) In Article I of the bill, in the appropriations to the Trusteed Programs within the Office of the Governor, reduce the general revenue appropriations for Strategy C.1.1, Create Jobs and Promote Texas (page I-53), by \$77,576,677 for the state fiscal biennium ending August 31, 2023.

(2) In Article II of the bill, in the appropriations to the Health and Human Services Commission, increase the general revenue appropriations for Strategy G.2.2, Mental Health Community Hospitals (page II-34), by \$15,000,000 for additional state-purchased inpatient psychiatric beds in rural areas of the state.

(3) In Article II of the bill, in the appropriations to the Health and Human Services Commission, increase the general revenue appropriations for Strategy G.2.2, Mental Health Community Hospitals (page II-34), by \$15,000,000 for additional state-purchased inpatient psychiatric beds in urban areas of the state.

(4) Add the appropriately numbered rider at the end of the bill pattern of the Health and Human Services Commission:

____. Included in Strategy G.2.2, Mental Health Community Beds is \$15,000,000 for additional state-purchased inpatient psychiatric beds in rural areas of the state and \$15,000,000 for additional state purchased inpatient psychiatric beds in urban areas of the state.

(5) On page II-32 of the HHSC bill pattern, increase appropriations in Strategy A.1.1, Aged and Medicare-Related, by \$23,497,005 in general revenue and \$37,502,488 in federal funds in fiscal year 2022, and \$24,079,672 in general revenue and \$38,383,809 in federal funds in fiscal year 2023, for All Funds totals of \$60,999,493 in fiscal year 2022 and \$62,463,481 in fiscal year 2023.

(6) On page II-46 through page II-47 of the HHSC bill pattern, amend the following rider to read as follows:

8. Hospital Payments. Included in amounts appropriated above to the Health and Human Services Commission (HHSC) in Strategies in Goal A, Medicaid Client Services, is \$~~[59,464,818]~~82,961,823 in general revenue funds, \$98,978,587 in interagency contracts, and \$~~[244,412,951]~~281,915,439 in federal funds (\$~~[402,856,356]~~463,855,849 in All Funds) in fiscal year 2022 and \$~~[56,464,008]~~80,543,680 in general revenue funds, \$98,978,587 in interagency contracts, and \$~~[252,173,545]~~290,557,354 in federal funds (\$~~[407,586,140]~~470,049,621 in All Funds) in fiscal year 2023 to provide Medicaid hospital add-on payments for trauma care and safety-net hospitals and add-on payments and rate increases for rural hospitals as follows:

(a) \$70,794,000 in interagency contracts and \$109,206,000 in federal funds in fiscal year 2022 and \$68,634,000 in interagency contracts and \$111,366,000 in federal funds in fiscal year 2023 for trauma care;

(b) \$30,810,413 in general revenue funds, \$28,184,587 in interagency contracts, and \$91,005,000 in federal funds in fiscal year 2022 and \$26,850,413 in general revenue funds, \$30,344,587 in interagency contracts, and \$92,805,000 in federal funds in fiscal year 2023 for safety-net hospitals;

(c) \$11,799,000 in general revenue funds and \$18,201,000 in federal funds in fiscal year 2022 and \$11,439,000 in general revenue funds and \$18,561,000 in federal funds in fiscal year 2023 for rural hospitals to maintain increases and add-ons related to general outpatient reimbursement rates, outpatient emergency department services that do not qualify as emergency visits, the outpatient hospital imaging services fee schedule, and the outpatient clinical laboratory services fee schedule;

(d) \$11,484,360 in general revenue funds and \$17,715,640 in federal funds in fiscal year 2022 and \$12,773,550 in general revenue funds and \$20,726,450 in federal funds in fiscal year 2023 for rural hospitals to maintain inpatient rates trended forward from 2013 to 2020 using an inflationary factor~~[, and]~~

(e) \$5,371,045 in general revenue funds and \$8,285,311 in federal funds in fiscal year 2022 and \$5,371,045 in general revenue funds and \$8,715,095 in federal funds in fiscal year 2023

for rural hospitals to maintain increases to inpatient rates in addition to those identified in Subsection (d); and

(f) \$23,497,005 in general revenue funds and \$37,502,488 in federal funds in fiscal year 2022 and \$24,079,672 in general revenue funds and \$38,383,809 in federal funds in fiscal year 2023 to increase reimbursement for Medicaid services provided by rural hospitals.

HHSC shall develop a methodology to implement the add-on payments pursuant to funding identified in subsection (b) that targets the state's safety-net hospitals, including those hospitals that treat high percentages of Medicaid and low-income, uninsured patients. Total reimbursement for each hospital shall not exceed its hospital specific limit.

For purposes of Subsections (c), (d), ~~[and]~~ (e), and (f), rural hospitals are defined as (1) hospitals located in a county with 60,000 or fewer persons according to the 2010 U.S. Census; or (2) a hospital designated by Medicare as a Critical Access Hospital (CAH), a Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or (3) a hospital that has 100 or fewer beds, is designated by Medicare as a CAH, a SCH, or a RRC, and is located in an MSA. No reimbursement may exceed the hospital specific limit and reimbursement for outpatient emergency department services that do not qualify as emergency visits may not exceed 65 percent of cost.

To the extent possible, HHSC shall ensure any funds identified in this rider that are included in Medicaid managed care capitation rates are distributed by the managed care organizations to the hospitals. The expenditure of funds identified in this rider that are not used for targeted increases to hospital provider rates as outlined above shall require the prior written approval of the Legislative Budget Board.

(7) Adjust article totals, method-of-finance totals, and performance measures accordingly.