

## **BILL ANALYSIS**

S.B. 1136  
By: Kolkhorst  
Human Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Delivery System Reform Incentive Payment (DSRIP) waivers are a part of the broader Section 1115 Medicaid waiver program and were established to fund innovative practices within Medicaid to either expand or improve Medicaid services, including programs and initiatives to reduce unnecessary hospital emergency room visits. In August 2020, the Centers for Medicare and Medicaid Services approved the transition plan for the DSRIP program, and the federal funding mechanism for DSRIP demonstrations will end on September 30, 2021, meaning that providers and hospitals that have been depending on DSRIP dollars will see meaningful cuts to their funding. S.B. 1136 seeks to encourage Medicaid providers to continue implementing effective interventions and best practices associated with improvements in the health outcomes achieved under the DSRIP program. The bill also seeks to enhance the efforts to reduce Medicaid recipients' use of hospital emergency room services as a primary means of receiving health care benefits and increase access to primary care providers.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1136 amends the Government Code to require the Health and Human Services Commission (HHSC) to coordinate with hospitals and other providers that receive supplemental payments under the uncompensated care payment program operated under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under the federal Social Security Act to identify and implement initiatives based on best practices and models that are designed to reduce Medicaid recipients' use of hospital emergency room services as a primary means of receiving health care benefits, including initiatives designed to improve recipients' access to and use of primary care providers. The bill also requires HHSC to encourage Medicaid providers to continue implementing effective interventions and best practices associated with improvements in the health outcomes of Medicaid recipients that were developed and achieved under the Delivery System Reform Incentive Payment (DSRIP) program previously operated under such a waiver through the following:

- existing provider incentive programs and the creation of new provider incentive programs;
- the terms included in contracts with Medicaid managed care organizations;
- implementation of alternative payment models; or
- adoption of other cost-effective measures.

S.B. 1136 requires HHSC to biannually prepare and submit a report to the legislature that contains a summary of its efforts under the bill's provisions.

**EFFECTIVE DATE**

September 1, 2021.