87R6749 KFF-D

By:  Shaheen H.B. No. 2603

A BILL TO BE ENTITLED

AN ACT

relating to a direct primary care model pilot program for Medicaid.

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

SECTION 1.  Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.024151 to read as follows:

Sec. 531.024151.  DIRECT PRIMARY CARE MODEL PILOT PROGRAM FOR MEDICAID. (a) In this section:

(1)  "Direct fee" means a fee charged by a physician to a patient or a patient's designee for primary medical care services provided by, or to be provided by, the physician to the patient.  The term includes a fee in any form, including a:

(A)  retainer;

(B)  membership fee;

(C)  subscription fee; or

(D)  fee paid under a medical service agreement.

(2)  "Direct primary care," "medical service agreement," "physician," and "primary medical care service" have the meanings assigned by Section 162.251, Occupations Code.

(3)  "Participating physician" means a physician participating in the pilot program.

(4)  "Participating recipient" means a Medicaid recipient participating in the pilot program.

(5)  "Pilot program" means the direct primary care model pilot program established under this section.

(b)  The commission shall develop a pilot program to implement a direct primary care model in Medicaid through which a Medicaid recipient enters into a medical service agreement with a physician for the provision of primary medical care services in exchange for a direct fee that is paid on a monthly basis.

(c)  The commission shall implement the pilot program statewide.

(d)  Under the pilot program, a participating physician:

(1)  is not required to enroll as a Medicaid provider; and

(2)  notwithstanding Subdivision (1), has the authority of ordering, referring, and prescribing Medicaid providers for purposes of the pilot program.

(e)  To be eligible to participate in the pilot program, a physician must be practicing under a direct primary care model that does not accept payment or otherwise seek reimbursement for primary medical care services from a third-party insurer or managed care organization.

(f)  A Medicaid recipient must be younger than 65 years of age to be eligible to participate in the pilot program. The recipient or the recipient's parent or legally authorized representative on behalf of the recipient must enter into a medical service agreement with a physician eligible to participate in the pilot program. After the commission verifies that the recipient or the recipient's parent or legally authorized representative has entered into the agreement, the commission shall pay the lesser of:

(1)  the amount of the direct fee required under the agreement; or

(2)  $40 per month for a recipient who is 18 years of age or younger, or $70 per month for a recipient who is at least 19 years of age but younger than 65 years of age.

(g)  A participating recipient shall pay the amount of the direct fee required under the medical service agreement that exceeds the maximum fee amount the commission pays under Subsection (f).

(h)  The commission may pay the amount of the direct fee under a medical service agreement directly to the participating recipient, who is then responsible for paying the participating physician under the agreement, or may establish a system under which the commission pays the fee directly to the physician, either by depositing the fee into an account established for the physician for that purpose or by another means the commission determines most appropriate. If cost-effective, the commission may issue an electronic benefits transfer card to a participating recipient who shall use the card to pay the amount of the direct fee under an agreement.

(i)  To the extent permitted by the contract entered into between the commission and a Medicaid managed care organization, the commission shall fund the direct fee required under a medical service agreement by making an appropriate reduction in the capitation rate paid to the organization that issued the managed care plan in which the participating recipient is enrolled.

(j)  A participating recipient shall immediately notify the commission when a medical service agreement terminates.

(k)  Not later than December 31, 2024, the commission shall prepare and submit a report to the legislature that includes:

(1)  a summary of the commission's evaluation of the effect of the pilot program on the provision of primary medical care services and Medicaid costs; and

(2)  a recommendation as to whether the pilot program should be continued or terminated.

(l)  The executive commissioner shall adopt rules as necessary to implement this section.

(m)  The pilot program terminates and this section expires September 1, 2025.

SECTION 2.  If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3.  This Act takes effect September 1, 2021.