

BILL ANALYSIS

H.B. 2955
By: Klick
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The medical education add-on adjustment factor for urban teaching hospitals under the state's Medicaid program has not been adjusted to accommodate changes in the number of interns and residents for nearly a decade. As a result, these hospitals are currently receiving payments based upon outdated data. H.B. 2955 seeks to remedy this issue by providing for more regular updates of the adjustment factor.

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

H.B. 2955 amends the Human Resources Code to require the Health and Human Services Commission (HHSC), on request from a teaching hospital and to the extent permitted by federal law, to update on a biannual basis the medical education add-on adjustment factor under the state's Medicaid program using the most current Medicare education adjustment factor data available under applicable federal regulations in effect at the time HHSC makes the update. The bill provides the following:

- this requirement is for purposes of ensuring that urban teaching hospitals are accurately reimbursed for the provision of inpatient hospital care to Medicaid recipients; and
- "medical education add-on" is defined as an adjustment to the base standard dollar amount for an urban teaching hospital to reflect higher patient care costs relative to nonteaching urban hospitals.

The bill establishes what constitutes an urban hospital, a teaching hospital, state-owned teaching hospital, and a rural hospital. The bill defines "base standard dollar amount" as the standardized payment amount calculated by the commission for costs incurred by prospectively paid hospitals in this state for providing inpatient hospital care under Medicaid.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.