

BILL ANALYSIS

Senate Research Center
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S.B. 1592
By: Moncrief
Health & Human Services
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DIGEST AND PURPOSE

Currently, Texas ranks 45th in the nation for Medicaid reimbursement rates. Current state funding is \$22 per resident per day below the national average. As proposed, S.B. 1592 enables the state to increase Medicaid funding with matching federal dollars with limited general revenue fund expenditures to administer the quality assessment program, if the administrative function is not covered by federal dollars.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Health and Human Services Commission in SECTION 1 (Section 242.855, Health and Safety Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 242, Health and Safety Code, by adding Subchapter Q, as follows:

SUBCHAPTER Q. QUALITY ASSURANCE FEE

Sec. 242.851. DEFINITION. Defines "gross receipts."

Sec. 242.852. COMPUTING QUALITY ASSURANCE FEE. (a) Requires a quality assurance fee to be imposed on each institution for which a license fee must be paid under Section 242.034. Provides that the fee is: an amount established under Subsection (b) multiplied by the number of patient days as determined in accordance with Section 242.853, payable monthly, and in addition to other fees imposed under this chapter.

(b) Requires the Health and Human Services Commission (commission) or the Texas Department of Human Services (department) at the direction of the commission to set the quality assurance fee for each day in the amount necessary to produce annual revenues equal to six percent of the total annual gross receipts for institutions in this state. Provides that the fee is subject to a prospective adjustment as necessary.

(c) Requires the amount of the quality assurance fee to be determined using patient days and gross receipts reported to the department and covering a period of at least six months.

(d) Provides that the quality assurance fee is an allowable cost for reimbursement under the state Medicaid program.

Sec. 242.853. PATIENT DAYS. Requires that for each calendar day, an institution determine the number of patient days in a certain manner.

Sec. 242.854. REPORTING AND COLLECTION. (a) Requires the commission or the department at the direction of the commission to collect the fee.

(b) Requires each institution to carry out certain duties.

Sec. 242.855. RULES; ADMINISTRATIVE PENALTY. (a) Requires the commission to adopt rules for the administration of this subchapter including rules related to the imposition and collection of the quality assurance fee.

(b) Prohibits the commission from adopting rules granting any exceptions from the quality assurance fee.

(c) Prohibits an administrative penalty assessed under this subchapter in accordance with Section 242.066, from exceeding one-half of the amount of the outstanding quality assurance fee or \$20,000, whichever is greater.

Sec. 242.856. QUALITY ASSURANCE FUND. (a) Provides that the quality assurance fund is a fund outside the state treasury held by the Texas Treasury Safekeeping Trust Company. Requires the comptroller, notwithstanding any other law, to deposit fees collected under this subchapter to the credit of the fund.

(b) Sets forth the composition of the fund.

(c) Provides that money deposited to the fund remains the property of the fund and may be used only for the purposes of this subchapter.

Sec. 242.857. REIMBURSEMENT OF INSTITUTIONS. (a) Requires the commission to use money in the quality assurance fund, together with any federal money available to match that money, to carry out certain duties.

(b) Requires the commission or the department at the direction of the commission to devise the formula by which amounts received under this section increase the reimbursement rates paid to institutions under the state Medicaid program.

Sec. 242.858. INVALIDITY; FEDERAL FUNDS. Requires that if any portion of this chapter is held invalid by a final order of a court that is not subject to appeal, or if the commission determines that the imposition of the fee and the expenditure as prescribed by this subchapter of amounts collected will not entitle the state to receive additional federal funds under the Medicaid program, the commission stop collection of the quality assurance fee and return any money collected, but not spent, under this subchapter to the institutions that paid the fees in proportion to the total amount paid by those institutions.

SECTION 2. Provides that, notwithstanding Section 242.852, Health and Safety Code, as added by this Act, the quality assurance fee imposed under Subchapter Q, Chapter 242, Health and Safety Code, as added by this Act, that is effective for the first month following the effective date of this Act is equal to \$5.25 multiplied by the number of patient days as determined under that subchapter. Provides that the quality assurance fee established under this section remains in effect until the commission, or the department at the direction of the commission, obtains the information necessary to set the fee under Section 242.852, Health and Safety Code, as added by this Act.

SECTION 3. Requires the commission, as soon as practicable after the effective date of this Act, to adopt rules as necessary to implement Chapter 242Q, Health and Safety Code, as added by this Act.

SECTION 4. Requires a state agency affected by a provision of this Act to request a waiver or authorization and authorizes the agency to delay implementing that provision until the waiver or authorization is granted, if the agency determines before implementing any provision of this Act that a waiver or authorization from a federal agency is necessary.

SECTION 5. Effective date: upon passage or September 1, 2001.