Rider Comparison Packet

Conference Committee on Senate Bill 1

2014-15 General Appropriations Bill

Article II - (Health and Human Services)

ARTICLE II - HEALTH AND HUMAN SERVICES
539 Aging and Disability Services, Department of
DIFFERENCES ONLY

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16. **State Supported Living Center Funding.** It is the intent of the Legislature that the department implement a single funding methodology for state supported living centers which funds all living centers equitably and at a level which is adequate to maintain compliance with applicable federal standards. A primary consideration to be used by the department in determining an acceptable funding methodology should be consideration of the number of residents in each living center and the needs of those residents. Staffing patterns at living centers shall not reflect a census decline until a campus has realized a decline in census.	
33. **Contingency for Standard Assessment Tool.** Contingent on passage of legislation relating to the implementation of a standard functional assessment tool used across intellectual and developmental disability programs and a resource allocation methodology in the Home and Community-based Services Waiver program, by the Eighty-third Legislature, Regular Session, the Department of Aging and Disability Services may use an amount not to exceed $0.5 million for fiscal year 2014 and $1.0 million for fiscal year 2015 out of General Revenue funds appropriated in strategy A.10.1, Balancing Incentive Program to implement a standard functional assessment tool and resource allocation methodology in the Home and Community-based Services Waiver program. In addition, DADS shall issue a report to the Legislative Budget Board and the Governor by February 1, 2015 that analyzes the needs of consumers across the four 1915(c) Medicaid waiver programs that serve individuals with intellectual and developmental disabilities; makes recommendations for system reforms that would expand the number of persons served, improve service delivery, and/or contain costs; and provides a fiscal estimate of reform options.	**32.** **Contingency for Standard Assessment Tool.** Contingent on passage of legislation relating to the implementation of a standard functional assessment tool used across intellectual and developmental disability programs and a resource allocation methodology in the Home and Community-based Services Waiver program, by the Eighty-third Legislature, Regular Session, the Department of Aging and Disability Services may use an amount not to exceed $0.5 million for fiscal year 2014 and $1.0 million for fiscal year 2015 out of General Revenue funds appropriated in Strategy A.1.1, Intake, Access, and Eligibility, to implement a standard functional assessment tool and resource allocation methodology in the Home and Community-based Services Waiver program. In addition, DADS shall issue a report to the Legislative Budget Board and the Governor by February 1, 2015 that analyzes the needs of consumers across the four 1915(c) Medicaid waiver programs that serve individuals with intellectual and developmental disabilities; makes recommendations for system reforms that would expand the number of persons served, improve service delivery, and/or contain costs; and provides a fiscal estimate of reform options.
	36. **Promoting Community Services for Children .** It is the intent of the Legislature that opportunities be provided for children (under the age of 22) residing in community intermediate care facilities for the intellectually disabled to be able to transition to families. To facilitate such transitions when requested by parent/guardian, the department may request

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approval through Rider 9 provisions to transfer funding from Strategy A.7.1, Intermediate Care Facilities - IID, to other Medicaid strategies that provide appropriate services in community settings. In order to maintain cost-neutrality, the Executive Commissioner may develop rules in accordance with all applicable laws that would allow decertification of ICF/IID beds to offset the additional costs incurred in the community.

39. **Reporting on Nursing Facility Licensure.** Out of funds appropriated above in Strategy B.1.1, Facility and Community-based Regulation, the Department of Aging and Disability Services shall submit a report summarizing the nursing facility licensure process, including criteria considered when determining whether to issue a new license within a given market area, and any recommendations to improve the effectiveness and efficiency of the process. The report shall be submitted to the Legislative Budget Board, the Office of the Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services by August 31, 2014.

40. **Appropriation Authority for General Obligation Bond Proceeds.** Appropriated above in Strategy A.9.1, Capital Repairs and Renovations, in fiscal year 2014 is $17,000,000 in General Obligation Bond Proceeds for projects for the Department of Aging and Disability Services as described in Article IX, Sec. 17.02, Appropriation For Proposition 4 General Obligation Bond Proceeds.

All projects funded herein with general obligation bond proceeds are subject to approval by the Legislative Budget Board prior to issuance of the bond proceeds by the Texas Public Finance Authority. Any unexpended and unobligated balances in General Obligation Bond Proceeds described herein and remaining as of August 31, 2014 are hereby appropriated for the fiscal year beginning September 1, 2014 for the same purpose(s).

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16.	**Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the Department of Assistive and Rehabilitative Services (DARS) cover, at a minimum, $130,000 in General Revenue in each year of the biennium to support Strategy B.2.2, Education, Training, Certification - Deaf, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for the certification of interpreters are estimated to be $22,495 in fiscal year 2014and $22,912 in fiscal year 2015. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. In the event that actual revenue collections from revenue object code 3562, Health Related Professional Fees, for the purpose of interpreter testing and certification are above the Biennial Revenue Estimate, DARS is appropriated any additional revenue in an amount not to exceed $200,000 per fiscal year, and resulting unexpended balances as of August 31, 2014 are hereby appropriated for the fiscal year beginning September 1, 2014.	16. **Appropriations Limited to Revenue Collections.** It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the Department of Assistive and Rehabilitative Services (DARS) cover, at a minimum, $130,000 in General Revenue in each year of the biennium to support Strategy B.2.2, Education, Training, & Certification - Deaf, as well as the "other direct and indirect costs" associated with these programs, appropriated elsewhere in this Act. "Other direct and indirect costs" for the certification of interpreters are estimated to be $22,495 in fiscal year 2014 and $22,912 in fiscal year 2015. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available. In the event that actual revenue collections are above the Biennial Revenue Estimate, DARS is appropriated any additional revenue collected within the year collected. Any unexpended balances and additional other revenue collections in excess of the Biennial Revenue Estimate as of August 31, 2014 are hereby appropriated for the fiscal year beginning September 1, 2014.
20.	**Appropriation of Donations: Blindness Education Screening and Treatment.** Included in the amounts above in Strategy B.1.2, Blindness Education, is $400,743 in fiscal year 2014 and $400,743 in fiscal year 2015 for the Blindness Education, Screening, and Treatment (BEST) Program, contingent upon the generation of funds through donations. Revenues received from donations made in fiscal year 2014 and fiscal year 2015, in amounts not to exceed $801,486 as provided by §521.421 (j) or §521.422 (b), Transportation Code, are appropriated to the Department of Assistive and Rehabilitative Services (DARS) for purposes related to the BEST Program. Any revenue collected in the BEST Program above the amount appropriated each fiscal year is hereby appropriated to DARS for the same purpose. Any unexpended balances remaining as of August 31, 2014 are hereby appropriated to DARS for the same purpose for the fiscal year beginning September 1, 2014, and any unexpended balances remaining in an amount not to exceed $40,000 as of August 31, 2015 are hereby appropriated to DARS for the	20. **Appropriation of Donations: Blindness Education Screening and Treatment.** Included in the amounts above in Strategy B.1.2, Blindness Education, is $400,743 in fiscal year 2014 and $400,743 in fiscal year 2015 for the Blindness Education, Screening, and Treatment (BEST) Program, contingent upon the generation of funds through donations. Revenues received from donations made in fiscal year 2014 and fiscal year 2015, in amounts not to exceed $801,486 as provided by §521.421 (j) or §521.422 (b), Transportation Code, are appropriated to the Department of Assistive and Rehabilitative Services (DARS) for purposes related to the BEST Program. Any revenue collected in the BEST Program above the amount appropriated each fiscal year is hereby appropriated to DARS for the same purpose. Any unexpended and unobligated balances remaining as of August 31, 2013 are hereby appropriated to DARS for the same purpose for the fiscal year beginning September 1, 2013, and any unexpended balances remaining as of August 31, 2014 are hereby appropriated to DARS for the same

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same purpose for the fiscal year beginning September 1, 2015. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.	purpose for the fiscal year beginning September 1, 2014. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.
	30. Evaluate and Report on Deaf and Hard of Hearing Services. Out of funds appropriated above in Strategy B.2.1, Contract for Services for Persons Who Are Deaf or Hard of Hearing, the Department of Assistive and Rehabilitative Services shall develop and report on strategies to identify the need for resource specialist services, by HHS region. The report shall be submitted no later than February 1, 2014.
	31. Interpreter Certification Test Development and Maintenance. Out of funds appropriated above in Strategy B.2.2, Education, Training, Certification - Deaf, the Department of Assistive and Rehabilitative Services shall explore all reasonable possibilities and develop a plan for increasing self-generated or other revenues for the purpose of developing, maintaining and administering interpreter certification tests in Strategy B.2.2, Education, Training, Certification - Deaf, including fees for written and performance examinations, annual certificate renewal fees, recertification fees, training and education fees, gifts, grants, and donations of money. It is the intent of the legislature that implementation of the plan results in collections that fund at least 50 percent of the cost of interpreter certification test development and maintenance beginning in fiscal year 2016.
	32. Interpreter Training. Out of funds appropriated above in Strategy B.2.2, Education, Training, Certification - Deaf, the Department of Assistive and Rehabilitative Services shall, in partnership with external entities including universities, community colleges, interpreter training programs, and organizations that employ interpreters, develop and implement plans to increase the number of certified interpreters statewide, with particular emphasis on certifications that assist Texans in critical settings such as courtrooms and hospitals.

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	33. Data Collection and Reporting on Centers for Independent Living. Out of funds appropriated above in Strategy B.3.2, Independent Living Centers, the Department of Assistive and Rehabilitative Services (DARS) shall report on the actual and projected numbers of consumers served by each center and the types of services provided in fiscal years 2014 and 2015. DARS shall also include in the report strategies to improve the measurement, collection, and reporting of outcome data related to the centers. The report shall be submitted no later than February 1, 2014.

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27. Limitation on Appropriations for Day Care Services. The Department of Family and Protective Services may not spend more than the amounts appropriated above in Strategy B.1.3, TWC Foster Day Care, Strategy B.1.4, TWC Relative Day Care, and Strategy B.1.5, TWC Protective Day Care, without the prior written approval of the Legislative Budget Board and the Governor.

To request approval, the department shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

a. a detailed explanation of the need for day care services and the steps that have been taken to address the need without exceeding the amounts appropriated above;

b. a five-year history of expenditures for day care services with information on the number of days purchased and the average cost per day;

c. the name of the strategy or strategies affected by the increase in expenditures and the method of financing and FTEs for each strategy by fiscal year;

d. the impact of the expenditure on performance levels and, where relevant, a comparison to targets included in this Act for the affected strategy or strategies; and

e. the impact of the expenditure on the capital budget.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue a written approval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

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The Comptroller of Public Accounts shall not allow the transfer of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

28. Limitation on Appropriations for Non-Recurring Adoption Subsidy Payments. Included in the amounts appropriated above in Strategy B.1.12, Adoption Subsidy and Permanency Care Assistance Payments, are the following amounts for non-recurring adoption subsidy payments: $6,859,614 in fiscal year 2014, and $7,305,150 in fiscal year 2015. The Department of Family and Protective Services may not spend more than these amounts without the prior written approval of the Legislative Budget Board and the Governor.

To request approval, the department shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

a. a detailed explanation of the need for additional funding and the steps that have been taken to address the need without exceeding the amounts appropriated above;

b. the name of the strategy or strategies affected by the increase in expenditures and the method of financing and FTEs for each strategy by fiscal year;

c. the impact of the expenditure on performance levels and, where relevant, a comparison to targets included in this Act for the affected strategy or strategies; and

d. the impact of the expenditure on the capital budget.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

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The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue a written approval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

The Comptroller of Public Accounts shall not allow the transfer of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

29. **Cost Containment Strategies for DFPS Funded Daycare Services.** Out of funds appropriated above to the Department of Family and Protective Services in strategies B.1.3, TWC Foster Day Care, B.1.4, TWC Relative Day Care, and B.1.5, TWC Protective Day Care, the agency shall collect available income and family size data on clients that receive foster and relative daycare services during the initial authorization process and every subsequent 12 months to assess the feasibility of certain cost containment strategies.

The agency shall identify and implement appropriate cost containment strategies for state-funded daycare services. Strategies that the agency could employ include but are not limited to the following options: (1) creating client priority groups, (2) instituting waiting lists based on client priority, (3) implementing an income-based sliding fee scale for daycare services on a case-by-case basis, and (4) setting time limits on the receipt of services or cost-sharing exemptions.

The Department of Family and Protective Services shall submit a report to the Governor's Office and the Legislative Budget Board that contains the following information: (1) which cost-containment strategies the agency researched; (2) which cost containment strategies the agency implemented, (3) an evaluation of the impact that selected strategies had on costs and

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the availability of daycare service, and (4) which cost-containment strategies were not implemented and an explanation of why they were not implemented. The agency shall report the report to the Governor's Office and the Legislative Budget Board by December 1, 2014.

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29. **Contingency for House Bill 969.** Contingent on passage of House Bill 969, or similar legislation relating to a student loan repayment assistance program for certain child protective services workers, by the 83rd Legislature, Regular Session, the Department of Family and Protective Services is appropriated $500,000 in fiscal year 2014 in General Revenue Funds and $500,000 in fiscal year 2015 in General Revenue Funds to transfer to the Higher Education Coordinating Board for implementing the provisions of the legislation.

30. **Average Daily Employee Caseloads.** Out of funds appropriated above, the Department of Family and Protective Services (DFPS) shall develop a plan for achieving the prescribed daily average caseload targets listed below for specific workers and for reducing call wait times and call abandonments for the abuse, neglect, and exploitation hotline managed by Statewide Intake. In the event that DFPS contracts with a Single Source Continuum Contractor (SSCC) to provide a full continuum of foster care services, DFPS shall ensure that the plan addresses how the SSCC will achieve the prescribed daily average caseloads targets listed below as well. DFPS shall submit this plan no later than December 1, 2014 to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor.

Position	**Target**
CPS lnvestigators:	an average of 15 cases
CPS Family-Based Safety Services Caseworkers:	an average of 10 cases
CPS Conservatorship Caseworkers:	an average of 20 cases

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	CPS Foster and Adopt Caseworkers: an average of 20 cases
	Child-Care Licensing Inspectors for day care: an average of 64 child-care facilities or registered family homes
	Child-Care Licensing Investigators for day care: an average of 17 cases
	APS In Home Specialists: an average of 22 cases
	Initiative **Hotline Target:**
	Average Hold Time for Calls to the Hotline: Five Minutes or Less
	Can Abandonment Rate for each fiscal year 25% or Less
31. **At-Risk Prevention Programs and Services.** From the amounts appropriated above in Strategy C.1.5, Other At-Risk Prevention Programs, the Department of Family and Protective Services shall allocate for the state fiscal biennium beginning September 1, 2013 $3,050,000 for one or more competitively procured established statewide networks of community-based prevention programs that provide evidence-based programs delivered by trained full-time staff, and address conditions resulting in negative outcomes for children and youth. Any vendor selected to deliver these services must provide dollar-for-dollar matching funds. All other funding appropriated in Strategy C.1.5, Other At-Risk Prevention Programs, shall be used for child abuse and neglect prevention programs in accordance with a comprehensive plan developed by the department. This plan shall include the following:	**28.** **At-Risk Prevention Programs and Services.** From the amounts appropriated above in Strategy C.1.5, Other At-Risk Prevention Programs, the Department of Family and Protective Services shall allocate for the state fiscal biennium beginning September 1, 2013, $4,500,000 for one or more competitively procured established statewide networks of community-based prevention programs that provide evidence-based programs delivered by trained full-time staff, and address conditions resulting in negative outcomes for children and youth. Any vendor selected to deliver these services must provide dollar-for-dollar matching funds. All other funding appropriated in Strategy C.1.5, Other At-Risk Prevention Programs, shall be used for child abuse and neglect prevention programs in accordance with a comprehensive plan developed by the department. This plan shall include the following:
a. only programs that are evidence-based or incorporate promising practices;	a. only programs that are evidence-based or incorporate promising practices;

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b. community-based, statewide coverage;

c. performance measures that gauge program effectiveness;

d. focuses on children ages 0 - 17; and

e. public-private collaboration that enhances state resources to reach more children, youth and families.

The department is required to seek public input during the development of the plan.

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b. community-based programs located throughout the state;

c. performance measures that gauge program effectiveness;

d. focuses on children ages 0 - 17; and

e. public-private collaboration that enhances state resources to reach more children, youth and families.

The department is required to seek public input during the development of the plan.

31. **Other At-Risk Prevention Programs.** Out of funds appropriated above in strategy C.1.5, Other At-Risk Prevention Programs, the Department of Family and Protective Services shall allocate $350,000 in General Revenue Funds in fiscal year 2014 and $350,000 in General Revenue Funds in fiscal year 2015 for grants for one or more competitively procured established child abuse and neglect prevention and parenting education organizations that provide evidence-based programs delivered by trained individuals, and that address adverse conditions resulting in negative outcomes for children and youth.

32. **Contingency for House Bill 915.** Contingent on passage of House Bill 915, or similar legislation relating to the administration and monitoring of certain medications provided to foster children, by the 83rd Legislature, Regular Session, the Department of Family and Protective Services is appropriated $500,000 in General Revenue Funds in fiscal year 2014 and $500,000 in General Revenue Funds in fiscal year 2015 to implement the provisions of the legislation.

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32. Child Protective Services - Staffing. a. Out of funds appropriated above, and on a quarterly basis, the Department of Family and Protective Services shall provide a recruitment and retention activities report to the Legislative Budget Board, the Office of the Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services. The report should include data on turnover, fill rates, and initiatives undertaken during the reporting period to improve staff recruitment and retention, resources expended on the initiatives, and outcomes quantifying the impact of the initiatives. b. Not later than August 31, 2014, the Department of Family and Protective Services shall provide a report to the Legislative Budget Board, the Office of the Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services that analyzes data regarding the reasons for CPS staff turnover, identifies patterns in turnover, and makes recommendations for specific interventions to address identified concerns. The report shall include analysis on the fiscal and policy impact of establishing a career ladder for certain positions, providing on call pay, and paying higher salaries for targeted degrees and employees headquartered in certain counties.	
37. Title IVE Waiver. The Department of Family and Protective Services may transfer funds out of strategy B.1.11, Foster Care Payments, for the purpose of implementing a Title IVE waiver project as long as the waiver project is authorized under the 2011 federal Child and Family Services Improvement and Innovation Act. Pursuant to rider 6, Foster Care Rates, the department may not transfer funds out of Strategy B.1.11, Foster Care Payments authorized by this section, without the prior written approval of the Legislative Budget Board and the Governor. The written request shall include:	**37. Title IVE Waiver.** It is the intent of the Legislature that the Department of Family and Protective Services may apply for a Title IV-E waiver that is authorized under the 2011 federal Child and Family Services Improvement and Innovation Act. The department is directed to request written approval from the Legislative Budget Board and the Governor prior to the submission of an application. The written request shall include the following information:

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a. an attestation that the transfer of funds from B.1.11. Foster Care Payments, will not create a need for supplemental funding or a transfer from another agency; and

b. a detailed plan explaining how the funds will be spent, allocated, or encumbered and whether the plan will be General Revenue cost neutral.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The transfer request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.

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(1) a detailed plan explaining how the funds will be spent, allocated, or encumbered;

(2) if a transfer of funds is necessary, the name of the originating and receiving strategies and the amounts of the transfer;

(3) whether the plan will be General Revenue cost neutral.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 30 calendar days of receipt of the request.

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23. **Medical Treatment.** The Department of State Health Services may distribute funds for medical, dental, psychological, or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code or other state law. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the department may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that 45-day prior notification is provided to the Governor and the Legislative Budget Board.	**23.** **Medical Treatment.** The Department of State Health Services may distribute funds for medical, dental, psychological, or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code or other state law.
72. **Contingency for Trauma Fellowships.** Contingent on enactment of legislation relating to appropriation authority over General Revenue - Dedicated Account 5111, Designated Trauma Facility and EMS, and the Texas Higher Education Coordinating Board, funds appropriated to the Department of State Health Services are reduced by $2,250,000 in fiscal year 2014 and $2,250,000 in fiscal year 2015 from General Revenue - Dedicated Account 5111, Designated Trauma Facility and EMS. This program at the Texas Higher Education Coordinating Board funds the expansion of physician and nursing trauma fellowships, per Education Code, Chapter 61, Article 9, Subchapter HH, Texas Emergency and Trauma Care Educational Partnership Program.	**72.** **Contingency for Trauma Fellowships.** Contingent on enactment of legislation relating to appropriation authority over General Revenue - Dedicated Account 5111, Designated Trauma Facility and EMS, and the Texas Higher Education Coordinating Board, funds appropriated to the Department of State Health Services are reduced by $2,250,000 in fiscal year 2014 and $2,250,000 in fiscal year 2015 from General Revenue - Dedicated Account 5111, Designated Trauma Facility and EMS.
79. **Mental Health Appropriations and the 1115 Medicaid Transformation Waiver.** Out of funds appropriated above in Goal B, Community Health Services, Strategies B.2.1, Mental Health Services for Adults, B.2.2, Mental Health Services for Children, and B.2.3, Community Mental Health Crisis Services, the Department of State Health Services by contract shall require that $172,700,000 in General Revenue funds provided to the department in this biennium be used to the extent possible to draw down additional federal funds through the 1115 transformation waiver or other federal matching opportunities, and the funds must be used for mental health services as specified by the department in its performance contracts. The department shall report to the Legislative Budget Board and the Governor by December 1, 2014 on efforts to leverage these funds.	**79.** **Mental Health Appropriations and the 1115 Medicaid Transformation Waiver.** Out of funds appropriated above in Goal B, Community Health Services, Strategies B.2.1, Mental Health Services for Adults, B.2.2, Mental Health Services for Children, and B.2.3, Community Mental Health Crisis Services, the Department of State Health Services by contract shall require that $172,700,000 in General Revenue funds provided to the department in this biennium be used to the extent possible to draw down additional federal funds through the 1115 transformation waiver or other federal matching opportunities, and the funds must be used for mental health services as specified by the department in its performance contracts. The department shall report to the Legislative Budget Board and the Governor by December 1, 2014 on efforts to leverage these funds.

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In furtherance of the goal to maximize federal matching opportunity the department and other state agencies are directed to review and revise the performance agreements, financial and program reporting requirements or other relevant contracts and agreements with Local Mental Health Authorities as necessary to facilitate compliance with federal requirements and to allow for coordination with private hospitals in order to improve access, availability, delivery, efficiency and funding for behavioral health services via the 1115 transformation waiver. In addition, the department will research and address other state and federal impediments to the implementation of this rider. The department or other state agency shall report to the Legislative Budget Board and the Governor by December 1, 2014 on efforts regarding such General Revenue funds.

81. **Home and Community-Based Services.** Included in funds appropriated above, the Department of State Health Services is appropriated General Revenue in the amounts of $2,655,006 in fiscal year 2014 and $5,217,413 in fiscal year 2015 in Strategy B.2.1, Mental Health Services for Adults. Funds shall be utilized to:

a. develop a Home and Community-Based Services (HCBS) program for adults with complex needs and extended or repeated state inpatient psychiatric stays as defined by the Department; and

b. seek federal approval for a Medicaid 1915(i) state plan amendment to enable federal financial participation, to the extent possible, in the HCBS program in collaboration with the Health and Human Services Commission.

81. **The University of Texas Harris County Psychiatric Center.** Out of funds appropriated above in Strategy C.2.1, Mental Health Community Hospitals, the Department of State Health Services may expend $1,200,000 in General Revenue Funds in fiscal year 2014 and $1,200,000

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		in General Revenue Funds in fiscal year 2015 for the purpose of funding 6 additional civil beds at the University of Texas Harris County Psychiatric Center to be used for persons needing longer-term treatment not to exceed 90 days.
83.	**State Hospital System Long-Term Plan.** Out of funds appropriated above, the Department of State Health Services (DSHS) shall develop a ten-year plan for the provision of psychiatric inpatient hospitalization to persons served by the department. This plan will consider state hospital system operational needs, including infrastructure needs of the existing facilities, future infrastructure needs, capacity needs across various regions of the state, and associated costs. The plan must consider current state funded hospital capacity for individuals requiring hospitalization, timely access to patient care in the least restrictive setting as clinically appropriate, best practices in psychiatric inpatient care, opportunities for patients to receive care closer to their homes, and efficient use of state resources. DSHS is required to seek public input during development of the plan, and is authorized to contract for necessary technical expertise to assist in the development of the plan. DSHS shall submit the plan to the Office of the Governor and the Legislative Budget Board not later than December 1, 2014. DSHS shall implement improvements to the state hospital system during the interim as appropriate with notification to the Governor and the Legislative Budget Board at least 30 days prior to implementation.	**83.** **State Hospital System Long-Term Plan.** Out of funds appropriated above, the Department of State Health Services (DSHS) shall develop a ten-year plan for the provision of psychiatric inpatient hospitalization to persons served by the department. This plan will consider state hospital system operational needs, including infrastructure needs of the existing facilities, future infrastructure needs, and associated costs, and will assess current capacity and needs in all regions served by the state hospital system to evaluate the availability, accessibility, and sufficiency of beds and outpatient services. The plan must consider current state funded hospital capacity for individuals requiring hospitalization, timely access to patient care in the least restrictive setting as clinically appropriate, best practices in psychiatric inpatient care, opportunities for patients to receive care closer to their homes, short-term residential treatment, respite care, and extended observation services, and efficient use of state resources. DSHS is required to seek public input during development of the plan, and is authorized to contract for necessary technical expertise to assist in the development of the plan. DSHS shall submit the plan to the Office of the Governor and the Legislative Budget Board not later than December 1, 2014. To authorize the implementation of improvements to the state hospital system related to the plan, DSHS shall submit a written request to the Legislative Budget Board and the Governor. The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

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84. **Mental Health Children: Prevention and Early Identification Services.** Out of funds appropriated above, the Department of State Health Services shall distribute any funds appropriated for the purpose of providing prevention and early identification services in B.2.2, Mental Health Services for Children, by a request for proposals for entities to educate school staff and/or community members in an evidence-based curriculum focused on awareness of risk factors that lead to emotional disturbance or severe mental illness and available intervention options.	**91.** **School-based Behavioral Health Services.** Out of funds appropriated to the Department of State Health Services above in strategy B.2.2, Mental Health Services for Children, the department shall allocate $2,500,000 in each fiscal year for providing technical assistance and grants to school districts that implement best-practice-based positive youth development programs, mental health promotion programs, early mental health intervention programs, suicide prevention programs, or substance abuse prevention and intervention programs. In allocating the money for grants and technical assistance among school districts that implement those programs, the department shall choose first school districts that implement an early mental health intervention and suicide prevention program under Section 161.325, Health and Safety Code.
	84. **NorthSTAR Behavioral Health Waiver.** Out of funds appropriated above in Strategy B.2.4, NorthSTAR Behavioral Health Waiver, the Department of State Health Services shall utilize $6,000,000 in General Revenue funds over the biennium for the purpose of increasing NorthSTAR program mental health services. It is the intent of the Legislature that these funds be used to increase the per person funding available to adult and child enrollees and increase mental health related services provided to clients through the program.
85. **Mental Health Program Allocation.** Out of funds appropriated above, the Department of State Health Services (DSHS) is directed to use $37,000,000 in General Revenue over the biennium for the purpose of expanding or improving statewide community mental health services. It is the intent of the Legislature that DSHS allocate these funds equitably to the local mental health authorities (LMHA) and NorthSTAR considering the per capita spending of each organization, among other funding parameters.	**92.** **Mental Health Program Allocation.** Out of funds appropriated above, the Department of State Health Services (DSHS) is directed to use $37,000,000 in General Revenue over the biennium for the purpose of expanding or improving statewide community mental health services. It is the intent of the Legislature that DSHS allocate these funds equitably to the Local Mental Health Authorities considering the per capita spending of each organization, among other funding parameters.
	85. **Local Mental Health Authorities Allocation.** It is the intent of the Legislature that the Department of State Health Services shall distribute any funds appropriated for the purpose of expanding or improving services in Strategies B.2.1, Mental Health Services for Adults, and

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	B.2.2, Mental Health Services for Children, by applying an allocation methodology that reduces the disparity in per capita allocations among Local Mental Health Authorities.
87. State Hospital Oversight - Staffing. a. Out of funds appropriated above, and on a quarterly basis, the Department of State Health Services shall provide a staffing report to the Legislative Budget Board, the Office of the Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services. The report should include data on turnover, fill rates, and use of contractors by state hospital and position type, initiatives undertaken during the reporting period to improve staff recruitment and retention, resources expended on the initiatives, and outcomes quantifying the impact of the initiatives. b. Not later than August 31, 2014, the Department of State Health Services shall provide a report to the Legislative Budget Board, the Office of the Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services that analyzes data regarding the reasons for staff turnover at state hospitals, identifies patterns in turnover, and makes recommendations for specific interventions to address identified concerns. The report shall include analysis on the fiscal and policy impact of establishing a career ladder at state hospitals for certain positions.	
	87. Primary Health Care Services for Women - Unexpended Balance Authority. Out of funds appropriated above in Strategy B.1.4, Community Primary Health Care Services, the Department of State Health Services shall allocate $50,000,000 in General Revenue in fiscal year 2014 and $50,000,000 in General Revenue in fiscal year 2015 for the purpose of providing primary health care services to women. It is the intent of the legislature that the services include but are not limited to the following: preventative health screenings such as breast and cervical cancer screenings, diabetes, cholesterol, hypertension, and STD-HIV

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screenings; family planning services including contraception; perinatal services; and dental services. Any unexpended balances remaining on August 31, 2014 in Strategy B.1.4, Community Primary Health Care Services, are appropriated to the agency for the fiscal year beginning September 1, 2014 for the same purposes.

88. **Healthy Community Collaborative.** Contingent on the passage of SB___ or HB ____ or similar legislation relating to the collaboration between entities providing a full spectrum of services to those persons with mental health issues, substance abuse issues, or to the homeless population, out of funds appropriated above, the Department of State Health Services (DSHS) shall allocate up to $25,000,000 in General Revenue over the biennium in Strategy B.2.3, Community Mental Health Crisis Services to be distributed through a grant program based on the following guidelines:

a. There must be a 1:1 private match in order to be an eligible grantee, and no entity shall receive more than $7,000,000 for any one collaborative.

b. Applicants must choose at least three of the below outcome measures that their program will address based on the needs of their individual community:

(1) Persons served by the entity will find permanent housing as a result of services provided;

(2) There will be a decrease in the local recidivism rate and/or an increase in the percentage of jail beds that are available as a result of program outcomes;

(3) There will be a decrease in the average number of ER contacts by persons served by this entity;

(4) Persons served by the entity will complete an alcohol or substance abuse program;

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(5) Persons served by the entity will find regular employment at or above 125% of federal poverty income guidelines;

(6) The entity will help start social and micro-businesses in their community that create a specified number of jobs and send a specified amount of money back to the entity in an effort to move towards being self-sustaining.

c. DSHS shall develop claw-back provisions for entities who do not successfully achieve their outcome measures, as determined by third party verification. State funds recouped through this mechanism will return to this program to be redistributed in future grants.

Any unexpended balances of these funds from fiscal year 2014 are appropriated to DSHS for the same purposes in fiscal year 2015. DSHS shall use funds for these purposes to the extent allowed by state law. DSHS shall also report to the Legislative Budget Board and the Governor the amount and type of expenditure and progress of the project by December 1, 2014.

89. **Appropriation Authority for General Obligation Bond Proceeds.** Appropriated above in Strategy C.1.3, Mental Health State Hospitals, in fiscal year 2014 is $10,000,000 in General Obligation Bond Proceeds for projects for the Department of State Health Services as described in Article IX, Sec. 17.02, Appropriation For Proposition 4 General Obligation Bond Proceeds.

All projects funded herein with general obligation bond proceeds are subject to approval by the Legislative Budget Board prior to issuance of the bond proceeds by the Texas Public Finance Authority. Any unexpended and unobligated balances in General Obligation Bond Proceeds described herein and remaining as of August 31, 2014 are hereby appropriated for the fiscal year beginning September 1, 2014 for the same purpose(s).

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90. Contingency for Family Planning Services.

a. Out of funds appropriated above in Strategy B.1.3, Family Planning Services, $16,057,982 out of the General Revenue Fund for fiscal year 2014 and $16,057,982 out of the General Revenue Fund for fiscal year 2015 are contingent on the Department of State Health Services not receiving Federal Funds under Title X of the Public Health Service Act to provide family planning services. The Department of State Health Services shall use this funding to reimburse the same providers for this program as were utilized in fiscal year 2013.

b. If the department receives Federal Funds under Title X of the Public Health Service Act to provide family planning services subsequent to receiving General Revenue Funds described by this rider, the department shall transfer an amount of General Revenue equal to that of the Federal Funds received to Strategy B.1.3, Pregnant Women, of the Health and Human Services Commission.

c. Any unencumbered and unexpended balances appropriated to the Department of State Health Services described by this rider for fiscal year 2014 are appropriated to the department in fiscal year 2015 for the same purpose.

93. Community Mental Health Services Wait List Funding. Out of funds appropriated above in Strategies B.2.1, Mental Health Services for Adults, and B.2.2, Mental Health Services for Children, the Department of State Health Services is directed to use $57,200,000 in General Revenue funds over the biennium for the purposes of eliminating the waiting list for services. It is the intent of the Legislature that any of these funds that cannot be used for this purpose shall be allocated among Local Mental Health Authorities with below average per capita funding levels to increase equity in funding allocations.

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	94. **Data Collection on the Incidence of Health Care-Associated Infections.** It is the intent of the Legislature that the Department of State Health Services expend funds appropriated for the Texas Health Care-Associated Infection Reporting System to expand the reporting required under the system to accommodate information on infections resulting in the death of the patient.

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33.	**Medical Treatments.** The Health and Human Services Commission may distribute funds for medical, dental, psychological or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code. In the event that compliance with this rider would result in the loss of Federal Funds to the state, the department may modify, or suspend this rider to the extent necessary to prevent such loss of funds, provided that 45-day prior notification is provided to the Governor and the Legislative Budget Board.	**Medical Treatments.** To the extent that it would not result in the loss of Federal Funds to the state, the Health and Human Services Commission may distribute funds for medical, dental, psychological or surgical treatment provided to a minor only if consent to treatment is obtained pursuant to Chapter 32 of the Texas Family Code.
38.	**Payments to Hospital Providers.** As required under Section 536.005 of the Texas Government Code, the Health and Human Services Commission (HHSC) shall implement a prospective inpatient reimbursement system for hospitals currently paid using the cost-reimbursed methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Until HHSC implements a prospective inpatient reimbursement system for Fee-for-Service (FFS) or managed care, including but not limited to health maintenance organizations (HMO) inpatient services, hospitals that meet one of the following criteria: 1) located in a county with 60,000 or fewer persons according to the 2010 U.S. Census, or 2) is a Medicare-designated Rural Referral Center (RRC) or Sole Community Hospital (SCH), that is not located in a metropolitan statistical area (MSA) as defined by the U.S. Office of Management and Budget, or 3) is a Medicare-designated Critical Access Hospital (CAH), shall be reimbursed based on the cost-reimbursement methodology authorized by TEFRA using the most recent data. Hospitals that meet the above criteria, based on the 2010 decennial census, will be eligible for TEFRA reimbursement without the imposition of the TEFRA cap for patients enrolled in FFS. Until HHSC implements a new prospective inpatient reimbursement system for FFS, for patients enrolled in managed care, including but not limited to health maintenance organizations (HMO), inpatient services provided at hospitals meeting the above criteria will be reimbursed at the Medicaid reimbursement calculated using each hospital's most recent FFS rebased full cost Standard Dollar Amount for the biennium.	**Payments to Rural Hospitals.** It is the intent of the Legislature that out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission (HHSC) shall rebase rural hospital rates using a methodology based on a rural statewide standard dollar amount (SDA) and a historical cost SDA by September 1, 2013. The commission may consider high cost hospital functions and services, including regional differences, wage index, trauma, and obstetrics when developing the rate methodology. Hospitals included in this prospective payment system must meet the following criteria: 1) located in a county with 60,000 or fewer persons according to the U.S. Census, based on the 2010 decennial census, 2) a Medicare-designated Rural Referral Center (RRC) or Sole Community Hospital (SCH), that is not located in a metropolitan statistical area (MSA) as defined by the U.S. Office of Management and Budget, or 3) a Medicare-designated Critical Access Hospital (CAH). For patients enrolled in managed care including but not limited to health maintenance organizations (HMO), inpatient services provided at hospitals meeting the above criteria shall be reimbursed based on the Medicaid reimbursement for similar services for the biennium. It is the intent of the Legislature that until the Health and Human Services Commission (HHSC) implements a new outpatient reimbursement system for Fee-for-Service (FFS) or managed care, including but not limited to health maintenance organizations (HMO) inpatient services, hospitals that meet the definition included in this provision shall be reimbursed at the historical based payment rates as calculated based on its most recently submitted cost reports. In order to ensure access to emergency and outpatient services remain in rural parts of Texas, it is the intent of the Legislature that when HHSC does implement a proposed change in outpatient reimbursement, HHSC shall promulgate a separate or modified payment level for the above defined providers, in order to maintain access to care in these regions.

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44. **Texas Women's Health Program: Savings and Performance Reporting.** It is the intent of the Legislature that the Health and Human Services Commission submit an annual report to the Legislative Budget Board and the Governor that includes the following information: a. enrollment levels of targeted low-income women, including service utilization by geographic region, delivery system, and age; b. savings or expenditures in the Medicaid program that are attributable to enrollment levels as reported in section (a); c. descriptions of all outreach activities undertaken for the reporting period; and d. the total number of providers enrolled in the Texas Women's Health Program network.	**44.** **Texas Women's Health Program: Savings and Performance Reporting.** It is the intent of the Legislature that the Health and Human Services Commission submit a bi-annual report to the Legislative Budget Board and the Governor that includes the following information: a. enrollment levels of targeted low-income women and service utilization by geographic region, delivery system, and age; b. savings or expenditures in the Medicaid program that are attributable to enrollment levels as reported in section (a); c. descriptions of all outreach activities undertaken for the reporting period; and d. the total number of providers enrolled in the Texas Women's Health Program network. It is the intent of the Legislature that if the findings of the report show a reduction in women enrolled or of service utilization of greater than 10 percent relative to calendar year 2011, the agency shall, within existing resources, undertake corrective measures to expand provider capacity and/or client outreach and enrollment efforts.
45. **Medication Therapy Management.** Out of funds appropriated above to the Health and Human Services Commission in Strategy B.2.2, Medicaid Prescription Drugs, the commission shall use existing resources to determine the effectiveness of the medication therapy management pilot program in reducing adverse drug events and related medical costs for high-risk Medicaid clients, and submit a report to the Governor and the Legislative Budget Board by December 1, 2014.	**45.** **Medication Therapy Management.** Out of funds appropriated above to the Health and Human Services Commission in strategy B.2.2, Medicaid Prescription Drugs, the commission shall use existing resources to determine the effectiveness of the medication therapy management pilot program in reducing adverse drug events and related medical costs for high-risk Medicaid clients, including those receiving treatment for asthma and COPD, and submit a report to the Governor and the Legislative Budget Board by December 1, 2014.

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51. Medicaid Funding Reduction and Cost Containment.

a. Included in appropriations above in Goal B, Medicaid, Strategy B.1.5, Children, is a reduction of $200,000,000 in General Revenue Funds and $284,730,000 in Federal Funds in fiscal year 2014 and $200,000,000 in General Revenue Funds and $278,460,000 in Federal Funds in fiscal year 2015, a biennial total of $400,000,000 in General Revenue Funds and $563,190,000 in Federal Funds. The Health and Human Services Commission (HHSC) is authorized to transfer these reductions between fiscal years and to allocate these reductions among health and human services agencies as listed in Chapter 531, Government Code, pursuant to the notification requirements included in Subsection (c) of this rider.

b. This reduction shall be achieved through the implementation of the plan described under subsection (c) which may include any or all of the following initiatives:

(1) Implement payment reform and quality based payment adjustments in fee-for-service and in managed care premiums,

(2) Improve birth outcomes, including improving access to information and payment reform,

(3) Increase efficiencies in the vendor drug program through improved utilization management, clinical edits, carving the formulary into managed care, or piloting a formulary carve in,

(4) Continue to adjust outpatient Medicaid payments to a fee schedule that is a prospective payment system and that maximizes bundling of outpatient services, including hospital imaging rates,

(5) Expand efforts to develop more appropriate emergency department hospital rates for non-emergency related visits,

House

51. Medicaid Funding Reduction and Cost Containment.

a. Included in appropriations above in Goal B, Medicaid, Strategy B.1.5, Children, is a reduction of $174,450,000 in General Revenue Funds and $248,356,592 in Federal Funds in fiscal year 2014 and $174,450,000 in General Revenue Funds and $242,894,497 in Federal Funds in fiscal year 2015, a biennial total of $348,900,000 in General Revenue Funds and $491,251,090 in Federal Funds. The Health and Human Services Commission (HHSC) is authorized to transfer these reductions between fiscal years and to allocate these reductions among health and human services agencies as listed in Chapter 531, Government Code, pursuant to the notification requirements included in Subsection (c) of this rider.

b. This reduction shall be achieved through the implementation of the plan described under subsection (c) which may include any or all of the following initiatives:

(1) Implement payment reform and quality based payment adjustments in fee-for-service and in managed care premiums,

(2) Improve birth outcomes, including reducing recurrent preterm births,

(3) Reform payment incentives for labor and delivery for physicians and hospitals by equalizing Medicaid delivery rates,

(4) Transition outpatient Medicaid payments to a fee schedule that is a prospective payment system and that maximizes bundling of outpatient services,

(5) Expand efforts to develop more appropriate emergency department hospital rates for non-emergency related visits,

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(6) Maximize co-payments in all Medicaid programs,

(7) Increase efficiency and reduce fraud in Medicaid transportation service through the most appropriate transportation model,

(8) Implement statewide monitoring of community care and home health through electronic visit verification in Medicaid fee-for-service and managed care,

(9) Renegotiate more efficient contracts,

(10) Phase down Medicaid rates which are above Medicare rates,

(11) Develop a more appropriate fee schedule for therapy services,

(12) Strengthen prior authorization requirements,

(13) Strengthen and expand utilization and prior authorization reviews,

(14) Incentivize appropriate neonatal intensive care unit utilization and coding,

(15) Improve care coordination through a capitated managed care program for remaining fee-for-service populations,

(16) Increase fraud, waste, and abuse prevention and detection,

(17) Expand initiatives to pay more appropriately for outlier payments,

(18) Develop a dynamic premium development process for managed care organizations that has an ongoing methodology for reducing inappropriate utilization, improving outcomes, reducing unnecessary spending, and increasing efficiency,

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(6) Maximize co-payments in all Medicaid programs,

(7) Increase efficiency and reduce fraud in Medicaid transportation service through the most appropriate transportation model, including the transfer of transportation for dialysis patients to the Medical Transportation Program,

(8) Implement statewide monitoring of community care and home health through electronic visit verification in Medicaid fee-for-service and managed care,

(9) Renegotiate more efficient contracts,

(10) Reduce all Medicaid rates above Medicare rates to the Medicare rate, except for home health Medicaid rates for pediatric services that have no equivalent Medicare service,

(11) Develop a more appropriate fee schedule for therapy services that includes an accurate and appropriate evaluation of the service delivery model, requiring providers to submit the National Provider Identification (NPI) on each claim,

(12) Strengthen prior authorization requirements,

(13) Strengthen and expand utilization and prior authorization reviews,

(14) Incentivize appropriate neonatal intensive care unit utilization and coding,

(15) Improve care coordination for children with disabilities through a capitated managed care program,

(16) Increase fraud, waste, and abuse prevention and detection,

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(19) Adjust inpatient hospital reimbursement for labor and delivery services provided to adults at children's hospitals,

(20) Implement fee-for-service payment changes and managed care premium adjustments that incentivize the most appropriate and effective use of services,

(21) Implement dually eligible Medicare/Medicaid integrated care model and long term services and supports quality payment initiative,

(22) Reestablish hospital thirty day spell of illness limitations in STAR+PLUS,

(23) Align Texas Home Living with Home and Community-based Services (HCS) rates,

(24) Enforce appropriate payment practices for non-physician services,

(25) Implement additional initiatives identified by the Health and Human Services Commission.

c. HHSC shall develop a plan to allocate the reductions required by Subsection (a) of this rider by taking actions such as those suggested under Subsection (b) of this rider to the budgets of the health and human services agencies as listed in Chapter 531, Government Code. The plan shall include reduction amounts by strategy and fiscal year and shall be submitted in writing before December 1, 2013 to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

53. Quality-Based Payment and Delivery Reforms in the Medicaid and Children's Health Insurance Programs. Out of funds appropriated to the Health and Human Services Commission (HHSC) in Goal B, Medicaid, and Goal C, Children's Health Insurance Program,

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(17) Develop a dynamic premium development process for managed care organizations that has an ongoing methodology for reducing inappropriate utilization, improving outcomes, reducing unnecessary spending, and increasing efficiency,

(18) Equalize inpatient hospital reimbursement for services provided to adults at children's hospitals,

(19) Implement fee-for-service payment changes and managed care premium adjustments that incentivize the most appropriate and effective use of services,

(20) Implement additional initiatives identified by the Health and Human Services Commission.

c. HHSC shall develop a plan to allocate the reductions required by Subsection (a) of this rider by taking actions such as those suggested under Subsection (b) of this rider to the budgets of the health and human services agencies as listed in Chapter 531, Government Code. The plan shall include reduction amounts by strategy and fiscal year and shall be submitted in writing before December 1, 2013 to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts.

53. Quality-Based Payment and Delivery Reforms in the Medicaid and Children's Health Insurance Programs. Out of funds appropriated to the Health and Human Services Commission (HHSC) in Goal B, Medicaid, and Goal C, Children's Health Insurance Program,

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HHSC may implement the following quality-based reforms in the Medicaid and CHIP programs:

a. develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used to implement quality-based payments for acute and long-term care services across delivery models and payment systems;

b. implement quality-based payment systems for compensating a health care provider or facility participating in the Medicaid and CHIP programs;

c. implement quality-based payment initiatives to reduce potentially preventable readmissions and potentially preventable complications; and

d. implement a bundled payment initiative in the Medicaid program, including a shared savings component for providers that meet quality-based outcomes. The executive commissioner may select high-cost and/or high-volume services to bundle and may consider the experiences of other payers and other state of Texas programs that purchase healthcare services in making the selection.

e. Under the Health and Human Services Commission's authority in 1 T.A.C. Sec. 355.307(c), the Commission may implement a Special Reimbursement Class for long term care commonly referred to as "small house facilities." Such a class may include a rate reimbursement model that adequately addresses the cost differences that exist in a nursing facility constructed and operated as a small house facility, as well as the potential for off-setting cost savings through decreased utilization of higher cost institutional and ancillary services. The payment increment may be based upon a provider incentive payment rate.

Required Reporting: The commission shall provide annual reports to the Governor's Office of Budget, Planning, and Policy and Legislative Budget Board on December 1, 2013 and December 1, 2014 that include (1) the quality-based outcome and process measures developed;

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HHSC may implement the following quality-based reforms in the Medicaid and CHIP programs:

a. develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used to implement quality-based payments for acute and long-term care services across delivery models and payment systems;

b. implement quality-based payment systems for compensating a health care provider or facility participating in the Medicaid and CHIP programs;

c. implement quality-based payment initiatives to reduce potentially preventable readmissions and potentially preventable complications; and

d. implement a bundled payment initiative in the Medicaid program, including a shared savings component for providers that meet quality-based outcomes. The executive commissioner may select high-cost and/or high-volume services to bundle and may consider the experiences of other payers and other state of Texas programs that purchase healthcare services in making the selection.

Required Reporting: The commission shall provide annual reports to the Governor's Office of Budget, Planning, and Policy and Legislative Budget Board on December 1, 2013 and December 1, 2014 that include (1) the quality-based outcome and process measures developed; (2) the progress of the implementation of quality-based payment systems and other related initiatives; (3) outcome and process measures by health service region; and (4) cost-effectiveness of quality-based payment systems and other related initiatives.

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(2) the progress of the implementation of quality-based payment systems and other related initiatives; (3) outcome and process measures by health service region; and (4) cost-effectiveness of quality-based payment systems and other related initiatives.

67. **Information Technology Funding.** Included in appropriations above to the Health and Human Services Commission is $22.0 million in General Revenue Funds and authority for 15.1 FTEs in fiscal year 2014 and 17.1 FTEs in fiscal year 2015 for the purposes of implementing information security improvements and application provisioning enhancements, improving security infrastructure for regional health and human services client delivery facilities, upgrading the Winters Data Center facilities, upgrading to the international Classification of Diseases (ICD-10) system, securing mobile infrastructure and enterprise communications, completing the enterprise data warehouse Medicaid initiative, remediating hardware for HHSAS financial system, and retiring the CARE system across enterprise agencies. The agency may transfer funding and FTEs, not to exceed the amounts noted above, to the appropriate health and human services agency for implementation of these projects.

Contingent on the agency requiring additional funding for these projects, the executive commissioner may request approval from the Legislative Budget Board and the Governor to transfer up to $20.0 million in General Revenue Funds from Goal B, Medicaid to the respective agency and strategy requiring funds to complete the above stated projects.

To request a transfer, HHSC shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

a. a detailed explanation of the purpose(s) of the transfer.

b. the names of the originating and receiving strategies and the method of financing for each strategy by fiscal year;

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c. an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

d. the capital budget impact.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

The Comptroller of Public Accounts shall not allow the transfer of funds authorized by the above subsection if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

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67. **Ambulance Transportation Services Funding.** It is the intent of the Legislature that out of funds appropriated above in Strategy A.1.1, Enterprise Oversight and Policy, the Health and Human Services Commission conducts a thorough analysis, inclusive of funding mechanisms used in other states, of opportunities to leverage local funds expended for emergency transport services for the purpose of enhancing ambulance transport payments. The Commission shall submit the results of their findings with potential funding mechanism options to the Legislative Budget Board no later than December 1, 2013.

68. **Prescription Drug Carve In to Managed Care Organizations.** It is the intent of the Legislature that capitated managed care organizations in STAR, STARHealth, STAR+PLUS and CHIP exclusively employ the vendor drug program formulary and adhere to the applicable HHSC preferred drug list including the prior authorization and program procedures during fiscal years 2014 and 2015.

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68. Health Homes Health Teams State Plan Amendment.

a. It is the intent of the Legislature that out of funds appropriated above in Strategy B.3.1, Medicaid Contracts and Administration, the Health and Human Services Commission may apply for approval of a State Plan Amendment pursuant to Section 1945 of the Social Security Act to authorize Medicaid reimbursement for patient-centered care rendered by health teams to chronically homeless individuals who are eligible for Medicaid under the state's existing Medicaid plan. Contingent on approval of a State Plan Amendment proposed in this provision by the Centers for Medicare and Medicaid Services, the Health and Human Services Commission may allocate funding from appropriations above in Strategy B.1.2, Disability-related, to provide such services, contingent upon prior written approval from the Legislative Budget Board and the Governor.

b. To request approval to expend the funds for these purposes, HHSC shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

(1) a copy of the approval from CMS of the State Plan Amendment;

(2) the estimated number of health teams to provide the services;

(3) the estimated fiscal impact by year and method of finance for the services and providers in the Medicaid program and any projected savings from the provision of these services; and

(4) an estimate of performance levels and, where relevant, a comparison to targets included in this Act.

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c. The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

69. **Pediatric Long Term Care Facility Rate Setting.** It is the intent of the Legislature that the Executive Commissioner of HHSC shall develop and implement a Medicaid reimbursement methodology for the Pediatric Long Term Care facility rate class that includes a facility-specific prospective cost-based interim reimbursement rate and an annual cost-based retrospective cost settlement process. It is the intent of the Legislature that an annual settlement payment shall only be made for fiscal years in which the average daily census for the facility in that year was less than the average daily census of the prior fiscal year, except that no settlement shall be made for fiscal years in which the average daily census for the facility exceeded 85 percent or for fiscal years in which the facility's Medicaid revenues exceeded its Medicaid allowable costs.

70. **Texas Home Visiting Program.** Notwithstanding Special Provisions Section 45, Money Follows the Person Demonstration, out of funds appropriated above in Strategy A.1.1, Enterprise Oversight and Policy, $2,681,099 in General Revenue Funds in fiscal year 2014 and $5,229,445 in General Revenue Funds in fiscal year 2015, the Office of Early Childhood Coordination at the Health and Human Services Commission shall oversee the process of awarding grants, monitoring sites, and implementing an efficacy evaluation of the Texas Home Visiting Program, ensuring that at least 75 percent of Texas Home Visiting Programs are evidence-based programs and that up to 25 percent of the funds are invested in promising programs such as AVANCE.

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70. **Medicaid Supplemental Payment Prioritization.** It is the intent of the Legislature that the Health and Human Services Commission prioritizes Medicaid supplemental payments in a manner that maintains the full funding of the Disproportionate Share Hospital program and that equitably allocates uncompensated care payments for public hospital and private hospital groups based on the ratio of uncompensated care provided by each group.

71. **Reporting on Gestational Diabetes in Medicaid.** Out of funds appropriated above, and as the state Medicaid operating agency, the Health and Human Services Commission shall develop a report to identify the impact of gestational diabetes on the Medicaid population. The report shall include an analysis of cost implications, the number of pregnant women screened and diagnosed, and patient outcome measures. In consultation with the Texas Diabetes Council, the published report shall recommend strategies to reduce the impact of the condition and to improve outcomes for this population. The report is due to the Legislature and Governor by August 31, 2014.

72. **Promote Innovative Nursing Home Care Models.** From funds appropriated above in A.1.1 Strategy: Enterprise Oversight & Policy, the Health and Human Services Commission, with the Department of Aging and Disability Services, shall identify additional opportunities to encourage culture change in Texas nursing homes and to encourage the development of Green House Project homes and similar small house models, as an alternative to traditional skilled nursing facilities. The Health and Human Services Commission shall report its findings to the Governor, Lieutenant Governor, the Senate Finance Committee, the Senate Health and Human Services Committee, the House Appropriations Committee, and the House Human Services Committee by September 1, 2014.

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72. **Texas Medicaid and Texas Diabetes Council.** It is the intent of the Legislature that out of funds appropriated above in Strategy A.1.1, Enterprise Oversight and Policy, the Texas Medicaid Program and the Health and Human Services Commission consider any advisory information from the Texas Diabetes Council before implementing any new program, rate, or initiative that could impact Medicaid patients diagnosed with diabetes or their access to care.

73. **Texas Women's Health Program Report.** Out of funds appropriated above in Strategy D.2.3, Texas Women's Health Program, the Health and Human Services Commission, as the agency responsible for administering the Texas Women's Health Program (TWHP) shall develop and submit a report each year to the Texas Legislature and the Legislative Budget Board assessing the true capacity and service capabilities of the direct providers on its list. The report must contain, at a minimum, the following criteria:

a. The exact number of patients each direct provider has the capacity to serve annually under the TWHP;

b. A formulaic analysis of how the provider and/or the department assessed the number of patients;

c. The number of patients each direct provider served in the previous fiscal year under the TWHP;

d. The number of physicians for each direct provider that perform services under the TWHP;

e. A description of the services that each direct provider has the capability to provide under the TWHP; and

f. A description of the services that each direct provider does not have the capability to provide under the TWHP.

Senate

73. **Payments to Health Centers for the Texas Women's Health Program.** It is the intent of the Legislature that the Health and Human Services Commission shall, to the extent allowable by federal law, reimburse Federally Qualified Health Centers for family planning services under the Texas Health and Human Services Commission, Strategy D.2.3, Texas Women's Health Program, using a prospective payment system at a per visit rate, not to exceed three payments during a calendar year.

House

74. **Umbilical Cord Blood Bank Funding.** Included in appropriations above in Strategy A.1.1, Enterprise Oversight and Policy, is $1,000,000 in General Revenue Funds in fiscal year 2014 and $1,000,000 in General Revenue Funds in fiscal year 2015 for the purpose of entering into a contract with a public cord blood bank in Texas for gathering from live births umbilical cord blood and retaining the blood at an unrelated cord blood bank for the primary purpose of making umbilical cord blood available for transplantation purpose. The contracting blood bank must be accredited by the American Association of Blood Banks and the International Organization for Standardization.

75. **Diabetic Supplies and the Medicaid Preferred Drug List.** It is the intent of the Legislature that out of fund appropriated above in Goal B, Medicaid, the Health and Human Services Commission shall pursue including diabetic supplies on the preferred drug list (PDL). The commission must consider the quality and efficacy of diabetic supplies prior to placing on the PDL. The commission shall explore other opportunities to include on the PDL any other non-drug products that may be listed on the Texas Medicaid formulary. The Health and Human Services Commission shall identify savings associated with supplemental rebates available to the State for those non-drug products listed on the formulary.

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76. Texas System of Care Consortium.

a. Out of funds appropriated to the Health and Human Services Commission above in Strategy A.1.1, Enterprise Oversight & Policy, for each fiscal year the commission shall pay a Full-Time Equivalent (FTE) employee to maintain an interagency consortium composed of persons as provided by Section 531.251, Government Code, to develop and oversee local mental health systems of care for minors, as provided by that section, to make recommendations to the legislature and appropriate state agencies regarding the provision of mental health services and supports to minors, and to oversee planning, promotion, and implementation activities of the consortium.

b. The maximum number of allowable FTEs for the Health and Human Services Commission otherwise specified by this Act has been increased by 1 FTE for each year of the state fiscal biennium ending August 31, 2015.

77. Medical Transportation Public Brokerage Pilot Program. Out of funds appropriated to the Health and Human Services Commission in Strategy B.2.3, Medical Transportation, the Health and Human Services Commission, in conjunction with the Texas Department of Transportation and the Texas A&M Transportation Institute, shall provide medical transportation program services on an at risk, regional basis, including one pilot project for nonemergency medical transportation using three contiguous rural transit districts created under Chapter 458, Transportation Code. The pilot shall evaluate cost savings measures, efficiencies and best practices. The pilot shall document and analyze the impact of the matching funding with local funding contributions, Medicaid funding, Fund 6 appropriations and Federal Transit Administration funding. Accountability metrics and best practices shall be reported to the Legislature by December, 2014.

Senate

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78. Interagency Grant and Resource Coordination to Improve Service Delivery to Children and Families.

a. In addition to other amounts appropriated to the Health and Human Services Commission by this article, the amount of $150,000 is appropriated and included above to the Health and Human Services Commission for the state fiscal biennium ending August 31, 2015, to facilitate cross-agency grant and resource coordination aimed at improving service delivery to and outcomes for children and families.

b. The amount of General Revenue Funds appropriated to the Department of Family and Protective Services, Texas Education Agency, Department of State Health Services, Department of Aging and Disability Services, and Texas Juvenile Justice Department have been reduced by $30,000 each for the state fiscal biennium ending August 31, 2015.

c. The Texas Juvenile Justice Department shall determine the manner of accomplishing the reduction required by this section for the department. The Texas Education Agency shall determine the manner of accomplishing the reduction required by this section for the agency. The executive commissioner of the Health and Human Services Commission shall determine the manner of accomplishing the reduction required by this section for the Department of Family and Protective Services, Department of State Health Services, and Department of Aging and Disability Services.

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Sec. 42. HHS Office Consolidation and Co-location. No funds appropriated under this Act may be expended for Health and Human Services Commission or health and human services agencies listed in Chapter 531, Government Code, for office or building space leased by the Texas Facilities Commission (TFC) on behalf of these agencies where the determination has been made that the leased space is no longer needed due to: 1) a change in client demographics resulting in the ability to relocate staff to other locations, 2) a change in service delivery model, or 3) consolidations of office or building space to achieve cost or operational efficiencies. Prior to vacating any space and asking TFC to cancel a lease, HHSC will:

a. Conduct an evaluation of the space to be vacated and document the factors that substantiate the decision to vacate the space. This evaluation may include client demographics, employee usage and travel status, facility costs, facility location, facility condition, Texas Accessibility Standards, and safety.

b. Provide written notification to the Texas Facility Commission at least 270 days prior to the date of the lease cancellation. At the same time, HHSC shall provide notification to the Legislative Budget Board and the Governor's office of the intent to terminate a lease and the anticipated savings to be realized from consolidation and efficiencies.

c. The Executive Commissioner is authorized contingent upon approval from the Legislative Budget Board and the Governor to utilize any of the freed-up General Revenue Funds or Other Funds reported under section (b) for the purposes of improving business processes and office modernization projects that promote more efficient use of space, state staff and resources.

d. To request approval to utilize the freed-up funding for office modernization and business process improvements, HHSC shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

(1) a detailed explanation of the project to be undertaken and the efficiencies to be realized;

(2) the names of the originating and receiving strategies and agencies and the method of financing for each strategy by fiscal year;

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Sec. 42. HHS Office Consolidation and Co-location. No funds appropriated under this Act may be expended for Health and Human Services Commission or health and human services agencies listed in Chapter 531, Government Code, for office or building space leased by the Texas Facilities Commission (TFC) on behalf of these agencies where the determination has been made that the leased space is no longer needed due to: 1) a change in client demographics resulting in the ability to relocate staff to other locations, 2) a change in service delivery model, or 3) consolidations of office or building space to achieve cost or operational efficiencies. Prior to vacating any space and asking TFC to cancel a lease, HHSC will perform subsections (a) and (b) below:

a. Conduct an evaluation of the space to be vacated and document the factors that substantiate the decision to vacate the space. This evaluation may include client demographics, employee usage and travel status, facility costs, facility location, facility condition, Texas Accessibility Standards, and safety.

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(1) a detailed explanation of the project to be undertaken and the efficiencies to be realized;

(2) the names of the originating and receiving strategies and agencies and the method of financing for each strategy by fiscal year;

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(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

(4) the capital budget impact.

e. The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

f. The Comptroller of Public Accounts shall not allow the transfer of funds authorized by the above subsection if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

Sec. 43. Waiver Program Cost Limits.

a. **Individual Cost Limits for Waiver Programs.** It is the intent of the Legislature that the Department of Aging and Disability Services and Health and Human Services Commission comply with the cost-effectiveness requirements of the Centers for Medicare and Medicaid Services and set the individual cost limit for each waiver program as follows:

(1) Community-Based Alternatives Program: 202 percent of the reimbursement rate that would have been paid for that same individual to receive services in a nursing facility;

(2) Medically Dependent Children Program: 50 percent of the reimbursement rate that would have been paid for that same individual to receive services in a nursing facility;

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(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

(4) the capital budget impact.

e. The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

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(2) Medically Dependent Children Program: 50 percent of the reimbursement rate that would have been paid for that same individual to receive services in a nursing facility;

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(3) Community Living Assistance and Support Services Program: 202 percent of the estimated annualized per capita cost of providing services in an IID to an individual qualifying for an ICF/IID Level of Care VIII;

(4) Deaf-Blind with Multiple Disabilities Program: 202 percent of the estimated annualized per capita cost of providing services in an ICF/IID to an individual qualifying for an ICF/IID Level of Care VIII;

(5) Home and Community-based Services Program: 202 percent of the reimbursement rate that would have been paid for that same individual to receive services in an ICF/IID or 202 percent of the estimated annualized per capita cost for ICF/IID services, whichever is greater; and

(6) STAR+PLUS Community-Based Alternatives: 202 percent of the reimbursement rate that would have been paid for that same individual to receive services in a nursing facility.

b. **Use of General Revenue Funds for Services**.

(1) Out of funds appropriated for the waiver programs identified above, and subject to the terms of subsection (c) below, the department and commission are authorized to use general revenue funds to pay for services if:

(i) the cost of such services exceeds the individual cost limit specified in a medical assistance waiver program listed above;

(ii) federal financial participation is not available to pay for such services; and

(iii) department or commission determines that:

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(3) Community Living Assistance and Support Services Program: 202 percent of the estimated annualized per capita cost of providing services in an IID to an individual qualifying for an ICF/IID Level of Care VIII;

(4) Deaf-Blind with Multiple Disabilities Program: 202 percent of the estimated annualized per capita cost of providing services in an ICF/IID to an individual qualifying for an ICF/IID Level of Care VIII;

(5) Home and Community-based Services Program: 202 percent of the reimbursement rate that would have been paid for that same individual to receive services in an ICF/IID or 200 percent of the estimated annualized per capita cost for ICF/IID services, whichever is greater; and

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(1) Out of funds appropriated for the waiver programs identified above, and subject to the terms of subsection (c) below, the department and commission are authorized to use General Revenue Funds to pay for services if:

(i) the cost of such services exceeds the individual cost limit specified in a medical assistance waiver program listed above;

(ii) federal financial participation is not available to pay for such services; and

(iii) department or commission determines that:

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(a) the person's health and safety cannot be protected by the services provided within the individual cost limit established for the program; and

(b) there is no other available living arrangement in which the person's health and safety can be protected at that time, as evidenced by:

(i) an assessment conducted by clinical staff of the department or commission; and

(ii) supporting documentation, including the person's medical and service records.

(2) Out of funds appropriated under this Article for the waiver programs identified above, and subject to the terms of subsection (c) below, the department and commission are authorized to use general revenue funds to continue to provide services to a person who was receiving medical assistance waiver program services on September 1, 2005, at a cost that exceeded the individual cost limit specified in the medical assistance waiver program, if:

(i) federal financial participation is not available to pay for such services; and

(ii) of those services is necessary for the person to live in the most integrated setting appropriate to the needs of the person.

(3) Authority provided in (b) above is contingent upon the agency submitting a report in writing to the Legislative Budget Board and Governor on October 1 of each year of the biennium. The report shall include the number of clients by program which exceeds cost limits and the unmatched General Revenue associated with each by fiscal year.

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(b) there is no other available living arrangement in which the person's health and safety can be protected at that time, as evidenced by:

(i) an assessment conducted by clinical staff of the department or commission; and

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Sec. 48. Program of All-inclusive Care for the Elderly (PACE).

a. **Expansion of PACE Sites.** The Department of Aging and Disability Services (DADS) may use funds appropriated in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) to add up to two additional PACE sites, each serving up to 150 participants beginning in fiscal year 2015.

b. **Additional Participants at Existing PACE Sites.** DADS may use funds appropriated in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) to serve up to 96 additional participants at existing PACE sites in Amarillo, Lubbock, and El Paso.

c. **Funding for Additional Sites and Participants.** Notwithstanding other provisions of this Act, if funds appropriated elsewhere in this Act to DADS in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) are not sufficient to pay for services described in subsections (a) and/or (b), the Health and Human Services Commission (HHSC) shall transfer funds from Goal B, Medicaid, Strategy B.1.1, Aged and Medicare-related, or Goal B, Medicaid, Strategy B.1.2, Disability-Related, in an amount not to exceed $369,839 in General Revenue Funds in fiscal year 2014 and $3,419,426 in General Revenue Funds in fiscal year 2015. The Executive Commissioner of HHSC must certify that funds appropriated to DADS in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) were insufficient due to an increase in the number of participants served, not due to an increase in rates for existing PACE sites. The Executive Commissioner of HHSC shall provide written notification to the Legislative Budget Board and the Governor of the certification and the transfer amounts within 30 business days of the date on which any transfer occurs.

d. **Additional Funding for PACE program.** Should transfer authority provided in subsection (c) be insufficient to serve the increase in participants described by subsections (a) and/or (b), the Executive Commissioner of HHSC shall submit a written request to the Legislative

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Sec. 48. Program of All-inclusive Care for the Elderly (PACE).

a. **Expansion of PACE Sites.** The Department of Aging and Disability Services (DADS) may use funds appropriated in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) to add up to three additional PACE sites, each serving up to 100 participants beginning in fiscal year 2015.

b. **Additional Participants at Existing PACE Sites.** DADS may use funds appropriated in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) to serve up to 96 additional participants at existing PACE sites in Amarillo, Lubbock, and El Paso.

c. **Funding for Additional Sites and Participants.** Notwithstanding other provisions of this Act, if funds appropriated elsewhere in this Act to DADS in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) are not sufficient to pay for services described in subsections (a) and/or (b), the Health and Human Services Commission (HHSC) shall transfer funds from Goal B, Medicaid, Strategy B.1.1, Aged and Medicare-related, or Goal B, Medicaid, Strategy B.1.2, Disability-Related, in an amount not to exceed $369,839 in General Revenue Funds in fiscal year 2014 and $3,419,426 in General Revenue Funds in fiscal year 2015. The Executive Commissioner of HHSC must certify that funds appropriated to DADS in Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE) were insufficient due to an increase in the number of participants served, not due to an increase in rates for existing PACE sites. The Executive Commissioner of HHSC shall provide written notification to the Legislative Budget Board and the Governor of the certification and the transfer amounts within 30 business days of the date on which any transfer occurs.

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Budget Board and the Governor for approval to transfer additional funds from HHSC Goal B, Medicaid, Strategy B.1.1, Aged and Medicare-related, or Goal B, Medicaid, Strategy B.1.2. Disability-Related to DADS Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE). The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.	Budget Board and the Governor for approval to transfer additional funds from HHSC Goal B, Medicaid, Strategy B.1.1, Aged and Medicare-related, or Goal B, Medicaid, Strategy B.1.2. Disability-Related to DADS Strategy A.5.1, Program of All-inclusive Care for the Elderly (PACE). The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.
	Sec. 49. Workgroup on Nursing Facility Residents' Applied Income. Out of funds appropriated elsewhere in this Act to the Health and Human Services Commission, in Strategy A.1.1, Enterprise Oversight & Policy, the Executive commissioner of the Health and Human Services Commission shall appoint a workgroup on nursing facility residents' applied income by January 31, 2014. It is the intention of the Legislature that the members of the workgroup shall include, but are not limited to, representation from the Office of the Attorney General's Division of Medicaid Fraud Control and/or Consumer Protection, the Department of Aging and Disability Services Division of Long Term Regulatory, the Texas Health Care Association, the Texas Silver Haired Legislature, and The Texas Senior Advocacy Coalition. The purpose of the workgroup is to study the extent of misapplication of Medicaid nursing facility residents' applied income and to develop a set of recommendations to more effectively manage applied income payments to ensure those funds are used for their intended legal purposes. The workgroup shall report the results of its finding and recommendations to the chairs of the Senate Health and Human Services Committee and the House Human Services Committee by September 30, 2014.
	Sec. 50. Use of Trauma Fund Receipts. In an effort to maximize the availability of Federal Funds under the Title XIX Medical Assistance Program for the purpose of providing reimbursement for uncompensated trauma care at designated facilities, the Department of State Health Services (DSHS) and the Health and Human Services Commission (HHSC) may enter into an interagency contract to allow for the transfer of funds from Account No. 5111, Trauma Facility and EMS, from DSHS to

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	HHSC for this purpose. This interagency contract would allow for the transfer of the Account No. 5111 funds to the extent that the use of these funds in this manner would not reduce reimbursements that otherwise would have been provided for uncompensated trauma care to designated facilities.
	Sec. 51. Texas Women's Health Program Contingency. Contingent upon a decision by the Health and Human Services Commission (HHSC) or other authorized health and human services agency listed under Chapter 531, Government Code, to cease operations of the program funded in Strategy D.2.3, Texas Women's Health Services, whatever unexpended or unobligated General Revenue Funds remaining in the strategy at the termination of the program shall be transferred by HHSC to the Department of State Health Services, Strategy B.1.4, Community Primary Care Services, for the purpose of providing women's health services.
	Sec. 52. Fiscal Impact Analysis of Health and Medical Insurance for Eligible Employees of Contracted Long-Term Care Medicaid Providers. It is the intent of the Legislature that out of funds available, the Health and Human Services Commission in coordination with the Legislative Budget Board shall determine the impact of the employer mandate in the Affordable Care Act on Medicaid long-term care providers through consideration of the following: a. Current number of contracted long-term care Medicaid providers with 50 or more full-time equivalent employees; b. Estimated percentage of employees that would qualify for the Medicaid exchange; c. Estimated percentage of employees by wage rate who would enroll in a plan offered by their employer; d. Estimated cost of providing health insurance per employee; and

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	e. Current number of employees and employee health insurance costs on current cost reports, requiring this information to be included on future cost reports. It is the intent of the Legislature that the Health and Human Services Commission shall report these findings to the Governor and Legislative Budget Board no later than November 1, 2013, and HHSC shall take this impact into consideration when setting rates should additional funds become available through funds provided or additional state or federal Medicaid funds that become available.