Special Provisions Relating to All Health and Human Services Agencies

Summary of Recommendations - House

Section 3

Special Provisions Relating to All Health and Human Services Agencies

Selected Fiscal and Policy Issues

1. **Federal Match (FMAP/EFMAP).** Revised FMAPs/EFMAPs for FYs 2014-2015 are anticipated to result in a net decline from FYs 2012-13 in the federal financial participation for affected programs, which will increase General Revenue demand for Medicaid, Children's Health Insurance Program (CHIP), and Title IV-E programs.

2. **Provider Rates Reporting Requirement.** The recommendations include a new rider that is based on a similar rider in place during the 2010-11 biennium. HHSC would be required to notify the Legislative Budget Board and Governor of changes to managed care rates 45 calendar days prior to implementation. Rate adjustments that would exceed appropriated funding would require prior written approval by the LBB and the Governor, using the 15-day approved unless disapproved mechanism. Currently, the restriction is related to a new or increased rate – not a restriction on increasing funding. Other ongoing rate adjustments would require only quarterly notification. See Sec. 44, Rate Limitations and Reporting Requirements on page II-136 of the bill pattern.

3. **Person-first language.** The 82R Texas Legislature passed House Bill 1481, which added the Person First Respectful Language Initiative to the Texas Government Code. Accordingly, terminology in Article II, Special Provisions, has been updated as follows:

    - *Mental Retardation (MR) > Intellectual Disability (ID)*
    - *State Operated Intermediate Care Facilities for the Mentally Retarded (ICF-MR) > State Operated Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)*
    - *State Mental Health Hospitals > State Hospitals*
    - *State Mental Retardation Facilities or Centers > State Supported Living Centers*
    - *Local Mental Retardation Authorities > DADS Local Authorities*

4. **Limitations on Transfer Authority.** Requirements for inter- and intra-HHS agency transfers have been modified. Transfers that exceed $1,000,000 in General Revenue Funds, capital authority in excess of $100,000 or FTE adjustments of more than 10 FTEs are still subject to the prior written approval of the Legislative Budget Board and the Governor. However, transfers below these thresholds will now only require written notification to the Legislative Budget Board and Governor within 30 days and a report on transfers of all amounts would be submitted to the Legislative Budget Board quarterly. In addition, the limit on how much a single transfer may exceed the originating strategy's appropriation has been changed from 12.5% to 20% to match a similar provision in Article IX Sec. 14.01. Appropriation Transfers.

5. **Money Follows the Person Demonstration.** New rider would require the Health and Human Services Commission and the Department of Aging and Disability Services to submit to the LBB and the Governor, on a monthly basis, the number of long-term care clients enrolled in each 1915(c) or STAR+PLUS CBA waiver program eligible for enhanced federal match under the Money Follows the Person demonstration, in addition to the expenditures eligible for the match. The rider would also require 30 day prior written notification to expend GR made available under Money Follows the Person due to the enhanced federal match funds.

Section 3

6. **Balancing Incentive Program Reporting.** New rider would require monthly reporting of expenditures eligible for the enhanced federal match under the Balancing Incentive Program.

Special Provisions Relating to All Health and Human Services Agencies
Rider Highlights

Deleted Riders (original section number)

Sec.	Title
12	Access to Health Care Services *Rider is no longer needed; agencies are complying with intent.*
15	Rate Limitations and Reporting Requirements *Recommendation is to replace this rider as it related to some one-time cost-containment issues/managed care expansion. It is replaced with a similar rider that would require notifications and approval for rate changes that would exceed appropriated funding.*
16	Provider Rates *One-time.*
17	Additional Cost Containment Initiatives *One-time.*
37	Purchasing of Medication *Agency has rule-making authority to set guidelines for purchasing of medication by local authorities.*
39	Contracted Medical Services *Department of State Health Services has been unable to secure approved reimbursement rates and acquire contracted medical services. Department of Aging and Disability Services indicates it has very few clients who are not covered by Medicaid and that it would likely continue to seek the Medicaid rate regardless.*
47	Reporting Requirements for Confirmed Acts of Abuse Committed by Licensed Professionals Employed by the State *One-time.*

Section 5

48 Evaluate and Report on Case Management Services

Evaluation completed.

49 Maintenance of Certain Program Service Levels

Rider is no longer needed; agencies are complying with intent.

50 Health and Safety Cost Savings Initiatives at the Department of State Health Services

One-time.

51 Statutorily Required Reports

One-time.

54 Attendant Wages and Benefits

Rider is no longer needed; HHSC collects the information through cost reports.

55 Funding for HIV Medications

One-time.

57 March 2013 and April 2013 Medicaid Payments

One-time.

Section 5

Modified Riders (original section number)

Sec. Title

Multiple Riders

Updated references using person-first respectful language as follows:

- *Mental Retardation (MR) > Intellectual Disability (ID)*
- *State Operated Intermediate Care Facilities for the Mentally Retarded (ICF-MR) > State Operated Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)*
- *State Mental Health Hospitals > State Hospitals*
- *State Mental Retardation Facilities or Centers > State Supported Living Centers*
- *Local Mental Retardation Authorities > DADS Local Authorities*

7 Federal Match Assumptions and Limitations on Use of Available General Revenue Funds

Updated with revised FMAP assumptions for 2014-15 (FFY 2014 – 58.69%; FFY 2015 – 58.16%).

10 Limitations on Transfer Authority

Requirements for inter- and intra-HHS agency transfers have been modified. Transfers that exceed $1,000,000 in General Revenue Funds, capital authority in excess of $100,000 or FTE adjustments of more than 10 FTEs are still subject to the prior written approval of the Legislative Budget Board and the Governor. However, transfers below these thresholds will now only require written notification to the Legislative Budget Board and Governor within 30 days and a report on transfers of all amounts should be submitted to the Legislative Budget Board quarterly. In addition, the limit on how much a single transfer may exceed the originating strategy's appropriation has been changed from 12.5% to 20% to match a similar provision in Article IX Sec. 14.01. Appropriation Transfers.

13 Medicaid Informational Rider

Updated with 2014-2015 numbers.

Section 5

14 Caseload and Expenditure Reporting Requirements

Modified reporting requirements for clarity and efficiency; moved reporting requirements for Children with Special Health Care Needs (CSHCN) to the DSHS bill pattern, 82R Rider 40, Children with Special Health Care Needs.

23 Mental Health (MH) and Intellectual Disability (ID) Medicare Receipts

Medicare receipt amounts updated.

36 Limit on Spending New Generation Medication Funds

Amended to replace "state-approved" with "cost-effective," since DSHS does not approve local purchasing arrangements.

43 Appropriation of Receipts: Civil Monetary Damages and Penalties

Updated Department of State Health Services (DSHS) General Revenue contingent upon collection of civil monetary damages and penalties for 2014-2015.

56 Waiver Program Cost Limits

Deleted information on Consolidated Waiver Program (CWP), which terminated 12-31-12. Deleted reference to Utilization Management and Utilization Review Practices, which are covered in statute.

Section 5

New Riders

Sec. 44 Rate Limitations and Reporting Requirements

Replacing 82R Special Provision 15, Rate Limitations and Reporting Requirements; rider would require notification of managed care rate changes with supporting detail, quarterly notification of other routine rate changes and approval for rate changes that would exceed appropriated funding (using 15-day approved unless disapproved mechanism).

Sec. 45 Money Follows the Person Demonstration

New rider would require the Health and Human Services Commission and the Department of Aging and Disability Services to submit to the LBB and the Governor, on a monthly basis, the number of long-term care clients enrolled in each 1915(c) or STAR+PLUS CBA waiver program eligible for enhanced federal match under the Money Follows the Person demonstration, in addition to the expenditures eligible for the match. The rider would also require 30 day prior written notification to expend GR made available under Money Follows the Person due to the enhanced federal match funds.

Sec. 46 Balancing Incentive Program Reporting

New rider would require monthly reporting of expenditures eligible for the enhanced federal match under the Balancing Incentive Program.

Section 6

Special Provisions Relating to All Health and Human Services Agencies
Items not Included in the Recommendations

Sec. Number and Title	
Sec. 32 (from 82R GAA)	Language Interpreter Services *Agency proposal would raise the salary increase limit of employees providing language interpreter services from 3.25 to 6.8 percent to provide the flexibility necessary to meet the growing demand for these services. The agency did not request additional funds because additional cost was expected to be offset by a reduction in contractor fees.*
HHSC 703 (New)	Appropriation of Costs *Agency's new proposed rider would provide authority to credit the Medicaid program with the proceeds of any fraud recoveries by the OAG after deduction of OAG attorney's fees and expenses.*
HHSC 704 (New)	Investing for HHS Business Process Improvements *Agency's new proposed rider would allow all HHS agencies to implement office modernization with existing funding.*
HHSC 705 (New)	Contingency for Performance-Based Incentive Payments for Health and Human Services Agencies' Employees *Agency's new proposed rider would allow agencies to provide employees with performance incentive compensation payments to assist with retaining staff. This rider would be contingent on legislation providing statutory authority.*