HB 1 – Budget Riders

Behavioral Health

DSHS Page II-27

9. Collection of Emergency Room Data. Out of funds appropriated in Strategy A.1.5, Health Data and Statistics, the Department of State Health Services (DSHS) shall collect emergency room data as set forth in Chapter 108 of the Health and Safety Code. DSHS shall use the data to measure and report potentially preventable emergency room visits, including potentially preventable mental health and substance abuse emergency room visits. DSHS shall submit the results of their findings to the Legislative Budget Board, Governor, Chairs of the Committees in each House with jurisdiction over public health issues, and the Statewide Behavioral Health Coordinating Council on an annual basis on or before December 31 of each year

HHSC Page II-60

33. Managed Care Organization Services for Adults with Serious Mental Illness. Out of funds appropriated above in Strategy B.1.1, Medicaid Client Services, the Health and Human Services Commission (HHSC) shall identify claims and expenditures, by managed care organization (MCO), for Medicaid recipients in STAR+PLUS with a serious mental illness (SMI) to evaluate any inappropriate variation in delivery of service to individuals with SMI by MCO. For the purposes of the evaluation, individuals with SMI are individuals who have: (1) a qualifying diagnosis; and (2) functional impairment if a local mental health authority has performed an assessment on the recipient. HHSC shall identify performance measures to better hold MCOs accountable for outcomes and Medicaid spending for individuals with SMI, evaluate the delivery of services to individuals with SMI by MCOs against standards of care, and develop recommendations to improve quality of care. HHSC shall submit a report, including findings and recommendations, to the Governor, Legislative Budget Board, Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor not later than August 31, 2020.

HHSC Page II-65

55. Mental Health Appropriations and the 1115 Medicaid Transformation Waiver. Out of funds appropriated above in Goal D, Additional Health-related Services, Strategies D.2.1, Community Mental Health Svcs - Adults, D.2.2, Community Mental Hlth Svcs - Children, and D.2.3,Community Mental Health Crisis Svcs, the Health and Human Services Commission (HHSC) by contract shall require that General Revenue funds be used to the extent possible to draw down additional federal funds through the 1115 Transformation Waiver or other federal matching opportunities. Nothing in this section shall relieve a Local Mental Health Authority or Local Behavioral Health Authority from an obligation to provide mental health services under the terms of a performance contract with HHSC or to reduce the amount of such obligation specified in the contract. HHSC shall report to the Legislative Budget Board and the Governor by December 1 of each fiscal year on efforts to leverage these funds.

HHSC Page II-67

63. Increased Access to Community Mental Health Services. Included in amounts appropriated above is $23,416,350 in General Revenue and $1,667,735 in Federal Funds for each fiscal year for the 2020-21 biennium in Strategy D.2.1, Community Mental Health Svcs-Adults, and $4,026,866 in General Revenue and $416,934 in Federal Funds for each fiscal year of the 2020-21 biennium in Strategy D.2.2, community Mental Hlth Svcs-Children, to avoid future waitlists and increase outpatient mental health treatment capacity at the local mental health authorities and local behavioral health authorities.

HHSC Page II-67

64. Substance Abuse Treatment Services. Included in amounts appropriated above in Strategy D.2.4, Substance Abuse Services, is $677,004 in GR for Substance Abuse Prevention and Treatment Block Grant in fiscal year 2020 and $4,322,996 in GR for Substance Abuse Prevention and Treatment Block Grant in fiscal year 2021 to provide a rate increase for all substance abuse treatment services provided under Strategy D.2.4, Substance Abuse Services. Also included in amounts appropriated above in Strategy D.2.4, Substance Abuse Services, is $23,634,844 in GR for Substance Abuse Prevention and Treatment Block Grant in fiscal year 2020 to reduce the substance abuse treatment waitlist for pregnant women and women with dependent children waiting to receive services provided under Strategy D.2.4, Substance Abuse Services.

HHSC Page II-68

65. Funding for Mental Health Programs. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Services for Adults, is $871,348 in General Revenue in each fiscal year of the 2020-21 biennium to continue funding for recovery-focused clubhouses at fiscal year 2019 service levels. Also included in amounts appropriated above in Strategy D.2.2, Community Mental Health Services for Children, $5,446,612 in General Revenue in each fiscal year of the 2020-21 biennium for relinquishment prevention slots, including $328,131 in General Revenue for program support and administration.

HHSC Page II-68

67. Proposal to Enhance Efficiency of Substance Abuse Treatment Services. Out of funds appropriated above in Strategy L.1.1, HHS System Supports, the Health and Human Services Commission (HHSC) shall develop a proposal to improve the efficiency of administering substance abuse treatment services and expand the capacity of substance use treatment services provided in Strategy D.2.4, Substance Abuse Services. HHSC shall consider best practices in substance abuse treatment and seek to streamline financial and contracting functions related to substance abuse treatment for indigent and/or applicable grant-funded services. HHSC shall consult with current substance use treatment providers, relevant trade organizations, other Single State Agencies (SSA) for Substance Abuse Services, the HHSC Behavioral Health Advisory Committee, and the Statewide Behavioral Health Coordinating Council in developing the proposal. HHSC shall submit a report detailing the proposal to Governor, Legislative Budget Board, and the permanent standing committees in the Senate and the House of Representatives with primary jurisdiction over health and human services by December 1, 2020.

HHSC Page II-68

69. Study on Substance Abuse Treatment Services. Out of funds appropriated above in Strategy L.1.1, HHS System Supports, the Health and Human Services Commission (HHSC) shall evaluate the reimbursement methodology and payment rate for substance use treatment services provided under Strategy D.2.4, Substance Abuse Services. In its evaluation, HHSC shall consider best practices for each level of care. HHSC shall report its initial findings to the Governor, the Legislative Budget Board, and

permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services by November 1, 2020.

58. Contingency for Senate Bill 11. Contingent on enactment of Senate Bill 11, or similar legislation creating the Texas Child Mental Health Care Consortium, by the Eighty-sixth Legislature, Regular Session, Subsections (a) to (h) shall take effect.

(a) **Consortium.** The Texas Child Mental Health Care Consortium (TCMHCC) is composed of:

(1) the following health-related institutions of higher education: (A) Baylor College of Medicine; (B) The Texas A&M University System Health Science Center; (C) Texas Tech University Health Sciences Center; (D) Texas Tech University Health Sciences Center at El Paso; (E) University of North Texas Health Science Center at Fort Worth; (F) the Dell Medical School at The University of Texas at Austin; (G) The University of Texas M.D. Anderson Cancer Center; (H) The University of Texas Medical Branch at Galveston; (I) The University of Texas Health Science Center at Houston; (J) The University of Texas Health Science Center at San Antonio; (K) The University of Texas Rio Grande Valley School of Medicine; (L) The University of Texas Health Science Center at Tyler; and (M) The University of Texas Southwestern Medical Center;

(2) the Health and Human Services Commission;

(3) the Texas Higher Education Coordinating Board (THECB);

(4) a representative of a hospital system in this state, designated by a majority of the members described by Subdivision (1);

(5) three nonprofit organizations designated by a majority of the members described by Subdivision (1); and

(6) any other entity that the members described by Subdivision (1) considers necessary.

(b) **Appropriation.** Included in the amounts appropriated above in Strategy F.1.10, Child Mental Health Care Consortium, is $49.5 million in General Revenue in fiscal year 2020 and $49.5 million in General Revenue in fiscal year 2021 to implement the provisions of this rider.

(c) **Mental Health Initiatives.** The following mental health initiatives shall be implemented:

(1) **Child Psychiatry Access Network (CPAN).** Out of funds referenced in Subsection (b) of this rider, THECB shall transfer funds in accordance with the plan described in Subsection (e) for the creation of a network of child psychiatry access centers that will provide consultation services and training opportunities for pediatricians and primary care providers to better care for children and youth with behavioral health needs.

(2) **Texas Child Health Access Through Telemedicine (TCHATT).** Out of funds referenced in Subsection (b) of this rider, THECB shall transfer funds in accordance with the plan described in Subsection (e) for the establishment or expansion of telemedicine or telehealth programs for identifying and assessing behavioral health needs and providing access to mental health care services. The plan described in Subsection (e) must prioritize the behavioral health needs of at-risk children and adolescents and maximize the number of school districts served in diverse regions of the state.

(3) **Community Psychiatry Workforce Expansion.** Out of funds referenced in Subsection (b) of this rider, THECB shall transfer funds in accordance with the plan described in Subsection (e) to fund community psychiatric workforce expansion projects. The plan described in Subsection (e) must require each project to fund one full-time psychiatrist to serve as academic medical director at a facility operated by a community mental health provider and two new resident rotation positions at the facility.

(4) **Child and Adolescent Psychiatry Fellowships.** Out of funds referenced in Subsection (b) of this rider, THECB shall transfer funds in accordance with the plan described in Subsection (e) to fund additional child and adolescent psychiatry fellowship positions at health-related institutions.

(d) **Administration and Oversight.** Not later than September 15, 2019, out of funds referenced in Subsection (b) of this rider, THECB shall execute interagency and other contracts to transfer $1 million in fiscal year 2020 and $500,000 in fiscal year 2021 to an institution of higher education designated by the TCMHCC, including development of the plan described in Subsection (e) and oversight and evaluation of the initiatives outlined in the bill. THECB may employ, using existing resources, one additional FTE in each fiscal year of the 2020-21 biennium to oversee the transfer.

(e) **Plan.** THECB shall not expend any funds directed by this rider without the prior approval of the Legislative Budget Board. TCMHCC shall develop a plan to implement the initiatives described in Subsections (c)(1) to (c)(4), including performance targets and timelines, and to promote and coordinate mental health research across state university systems in accordance with the statewide behavioral health strategic plan, and submit the plan to the Legislative Budget Board by November 30, 2019. The plan shall be considered approved, and the funds referenced in Subsection (b) of this rider may be expended, unless the Legislative Budget Board issues a written disapproval within 30 business days of the date the plan is submitted. THECB shall transfer appropriations for the initiatives, in accordance with the plan, through interagency and other contracts.

(f) **Transfers.** At the direction of the TCMHCC, THECB may transfer amounts referenced in Subsection (b) of this rider.

(g) **LBB Notification to Comptroller.** Notwithstanding the appropriation authority referenced in Subsection (b) of this rider, the Comptroller of Public Accounts shall not allow the expenditure of funds referenced in Subsection (b), if these funds are identified in Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, and if the Legislative Budget Board provides notification to the Comptroller that the agency or institution's planned expenditure of the funds in fiscal year 2020 or fiscal year 2021 does not satisfy the requirements of Article IX, Section 10.04 of this Act.

(h) **Unexpended Balances.** Any unexpended balances remaining as of August 31, 2020, are appropriated for the same purpose in the fiscal year beginning September 1, 2020.

Special Provisions Page IX-56

Sec. 10.04. Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

(c) **Statewide Behavioral Health Strategic Plan.** The purpose of the statewide behavioral health coordinating council shall be to implement the five-year Statewide Behavioral Health Strategic Plan published May 1, 2016 per Article IX, Section 10.04(b), 2016-17 GAA, Eighty-fourth Legislature, 2015. The Statewide Behavioral Health Coordinating Council shall submit an annual report to the Governor, and the Legislative Budget Board including the progress of the strategic plan's implementation no later

than December 1 of fiscal years 2020 and 2021. The report shall include coordinating council agency participation and how the strategic plan's implementation serves to coordinate programs and services to eliminate redundancy, utilize best practices in contracting standards, perpetuate identified, successful models for mental health and substance abuse treatment, ensure optimal service delivery, and identify and collect comparable data on results and effectiveness. The coordinating council shall annually update the inventory of behavioral health programs and services. The inventory shall describe how the identified programs, services, initiatives, and expenditures further the goals of the Statewide Behavioral Health Strategic Plan. HHSC shall make available the five-year strategic plan update and the inventory of programs on HHSC's website no later than December 1 of each year.

The Council shall also collaborate with the Board of Pharmacy and the Medical Board to create a sub-plan related to substance abuse. The sub-plan shall include challenges of existing prevention, intervention, and treatment programs, evaluation of substance use disorder prevalence, service ability, gaps in current services, and strategies for working with state agencies to expand treatment capacity.

(d) **Coordination of Behavioral Health Expenditures.** The coordinating council shall submit to the Executive Commissioner of HHSC for approval a coordinated statewide expenditure proposal for each agency, which shall include the appropriation amounts identified in subsection (a) of this provision. The expenditure proposal shall describe how the identified appropriations at each agency or institution would be spent in accordance with, and to further the goals of the approved statewide behavioral health strategic plan. HHSC shall submit the coordinated statewide behavioral health expenditure proposal to the Legislative Budget Board by September 1, 2019 for fiscal year 2020 and by July 1, 2020 for fiscal year 2021. The plan shall be considered to be approved unless the Legislative Budget Board issues a written disapproval by November 1, 2019 for fiscal year 2020, or by September 1, 2020 for fiscal year 2021.

Notwithstanding any other appropriation authority granted by this Act, the Comptroller of Public Accounts shall not allow the expenditure of General Revenue-Related funds identified in subsection (a) by a particular agency if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the agency's expenditure proposal has not satisfied the requirements of this provision. If fiscal year 2020 or fiscal year 2021 General Revenue-Related funds are used to provide services required by federal law, are related to court-ordered treatment, or required as the result of administrative proceedings, the funding for these services shall still be included in the proposal, but these funds shall not be contingent upon approval.

The coordinated expenditure proposal shall be developed in a format specified by the Legislative Budget Board, and shall, at a minimum, include expenditures related to each program identified in the program inventory required by subsection (c) of this provision, identified by fund type. Behavioral health-related Medicaid expenditures shall also be included as a separate line item for each agency.

Cancer Prevention and Research Institute of Texas

CPRIT Page 1-17

10. Contingency for House Joint Resolution 12. Included in amounts appropriated above is $164,000,000 out of General Obligation Bond Proceeds in fiscal year 2021 to the Cancer Prevention Institute of Texas in Strategy A.1.1, Award Cancer Grants and A.1.2 Award Cancer Prevention Grants. This appropriation is contingent on enactment of House Joint Resolution 12, or other legislation by the Eighty-sixth Legislature, Regular Session, that proposes a constitutional amendment authorizing the legislature to increase the maximum bond amount authorized for the Cancer Prevention and Research Institute of Texas, and subsequent voter approval of the associated constitutional amendment.

Contingent on the failure to enact House Joint Resolution 12, or other legislation by the Eighty-sixth Legislature, Regular Session, that proposes a constitutional amendment authorizing the legislature to increase the maximum bond amount authorized for the Cancer Prevention and Research Institute of Texas, or the failure of the voters to approve the proposed constitutional amendment, the amount of General Obligation Bond Proceeds appropriated to the Cancer Prevention Institute of Texas is reduced by $164,000,000 for fiscal year 2021.

Department of State Health Services

DSHS Page II-28

11. Cardiovascular Disease. Out of funds appropriated above in Strategy A.3.1, Chronic Disease Prevention, the Department of State Health Services may expend $514,013 in General Revenue Funds over the 2020-21 biennium for the Stroke/SEMI (St-Segment Elevation Myocardial Infarction) Data Collection for data collection activities.

Graduate Medical Education

THECB Page III-55

26. Physician Education Loan Repayment Program Retention Rates. The Texas Higher Education Coordinating Board shall report the results of a survey of physicians who have completed a Physician Education Loan Repayment Program application in which the physician agreed to practice in a health professional shortage area in exchange for a loan repayment award to determine rates of retention in those shortage areas and counties. The Texas Higher Education Coordinating Board shall report the results of the survey in its Annual Financial Aid Report of every even numbered year.

THECB Page III-58

39. Graduate Medical Education Expansion. Out of funds appropriated above in Strategy F.1.3, Graduate Medical Education Expansion, the Higher Education Coordinating Board shall allocate funds as follows:

a. $250,000 in fiscal year 2020 and $250,000 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award one-time graduate medical education planning and partnership grants to hospitals, medical schools, and community-based ambulatory patient care centers to develop new graduate medical education programs.

b. $61,212,500 in fiscal year 2020 and $61,212,500 in fiscal year 2021 in Strategy F.1.3. Graduate Medical Education Expansion, shall be used to enable new or existing GME programs to increase the number of first year residency positions and provide support to these positions through the biennium. The minimum per resident award amount is $75,000.

c. $4,950,000 in fiscal year 2020 and $4,950,000 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs to enable those programs that received a grant award in fiscal years 2014 and 2015 to fill first year residency positions that are unfilled as of July 1, 2013.

d. $12,187,500 in fiscal year 2020 and $12,187,500 in fiscal year 2021 in Strategy F.1.3, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs that received a grant award for the New and Expanded Graduate Medical Education Program in fiscal year 2015.

Any unexpended balances on hand at the end of fiscal year 2020 are hereby appropriated for the same purpose for fiscal year 2021.

Notwithstanding Article IX, Section 14.01 of this Act any funds identified above that remain unexpended and unobligated after the purposes stated in this rider have been reasonably addressed, may be transferred to the other programs identified by this rider.

Special Provisions for State Agencies of Higher Education Page III-259

5. **Graduate Medical Education Formula.** The Graduate Medical Education Formulas shall provide funding on a per medical resident basis. Funding is based on a base value of $11,940 per medical resident in an accredited program. Appropriations for Graduate Medical Education for fiscal year 2020 and fiscal year 2021 are $5,970 per resident.

Special Provisions for State Agencies of Higher Education Page III-259

6. **Health Related Institution Graduate Medical Education.** The funds appropriated above in each of the health related institutions bill pattern titled Graduate Medical Education (GME) shall be spent to increase the number of resident slots in the State of Texas as well as faculty costs relating to GME. In addition, each health related institution shall work with the Higher Education Coordinating Board to develop new performance measures relating to increasing the number of resident slots in the State of Texas.

Health and Human Services Commission

HHSC Page II -54

19. Health and Human Services Cost Containment. The Health and Human Services Commission (HHSC) shall develop and implement cost containment initiatives to achieve savings of at least $350,000,000 in General Revenue Funds for the 2020-21 biennium throughout the health and human services system. These initiatives shall include increasing fraud, waste, and abuse prevention and detection; seeking to maximize federal flexibility under the Medicaid program in compliance with Government Code, Chapter 537; and achieving other programmatic and administrative efficiencies. HHSC shall provide an annual report on the implementation of cost containment initiatives to the Legislative Budget Board by December 1. It is the intent of the legislature that HHSC shall achieve savings without adjusting amount, scope, or duration of services or otherwise negatively impacting access to care. It is the intent of the legislature that prior to making any changes, HHSC shall consider stakeholder input, including complying with any statutory requirements related to rulemaking and public hearings. This rider shall not be construed as limiting HHSC's ability to maximize federal flexibility under the Medicaid program, including federal flexibility that may impact amount, scope, or duration or services.

HHSC Page II-61

38. Cost Effectiveness of Delivery System Reform and Incentive Payment Program. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & Admin, the Health and Human Services Commission (HHSC) shall report on the outcomes achieved by providers in the Delivery System Reform and Incentive Payment (DSRIP) program. HHSC's report must provide the following for demonstration years 7 and 8:

(a) describe the measure bundles and measures selected by performing providers;
(b) describe the core activities associated with the measure bundles and measures selected by performing providers;
(c) describe performing providers' performance on their selected measure bundles and measures;
(d) identify the core activities that are associated with successful performing provider performance on measure bundles and measures;
(e) include a summary of the final costs and savings reports;
(f) identify core activities with a positive return on investment based on final cost and savings reports; and
(g) identify the amount of DSRIP funds earned by each type of performing provider.

HHSC shall submit the report to the Governor, the Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services by December 1, 2020.

HHSC Page II-100

158. Palliative Care Program. Out of funds appropriated above in Strategy L.1.1, HHS System Supports, the Executive Commissioner shall allocate $135,309 in fiscal year 2020 and $135,309 in fiscal year 2021 in General Revenue to support the Palliative Care Interdisciplinary Advisory Council established in Health and Safety Code Chapter 118 and a statewide palliative care consumer and healthcare professional information and education program. The Health and Human Services Commission shall consult with the Advisory Council on the implementation of the information and education program.

Health Related Institutions

HHSC Page II-95

142. State Owned Multicategorical Teaching Hospital Account.
(a) Out of funds appropriated above in Strategy D.3.1, Indigent Health Care Reimbursement (UTMB), from the General Revenue - Dedicated State Owned Multicategorical Teaching Hospital Account No. 5049 ("Account"), and contingent upon an amount up to and not to exceed $878,886 being collected and deposited in the Account for the 2020-21 biennium, the amount of $878,886 is allocated to the Health and Human Services Commission (HHSC) for reimbursement to the University of Texas Medical Branch at Galveston (UTMB) for the provision of health care services provided to indigent patients according to the terms set out in subsection (b). In the event that actual collections are below $878,886, the Legislative Budget Board may direct the Comptroller of Public Accounts to reduce the appropriation authority provided above to be within the amount of revenue expected to be available. Any additional unexpended balances on hand in the accounts as of August 31, 2020 are appropriated to the agency for the fiscal year beginning September 1, 2020 for the same purpose, subject to the HHSC notifying the Legislative Budget Board and the Governor in writing at least 30 days prior to budgeting and expending these balances.

(b) Funds in the Account may be used to reimburse UTMB for the provision of health care services provided to indigent patients from all counties, except that it may be used for indigent patients from Galveston, Brazoria, Harris, Montgomery, Fort Bend, and Jefferson counties only if those counties' County Indigent Health Care income eligibility levels, or those counties' hospital district income eligibility levels, exceed the statutory minimum set for the County Indigent Health Care Program.

(c) Upon presentation of information supporting UTMB's claim, HHSC shall reimburse UTMB for the health care services provided to indigent patients from the Account established for this purpose. The reimbursement from the Account shall be based upon a rate equal to 90 percent of the Medicaid fee-for-service rate in effect at the time of service for UTMB. This reimbursement shall be made monthly upon the submission to HHSC of a statement of the care provided by UTMB to indigent patients, according to the terms set out in subsection (b). UTMB is authorized to charge patient co-payment amounts for providing health care services, however, UTMB is not entitled to reimbursement from the Account for these copayment amounts. The Office of the State Auditor may periodically review the statements submitted to HHSC for reimbursement from the Account, as well as the disbursement there from, to verify compliance with the criteria established herein.

HHSC Page II-96

143. Disposition of Appropriation Transfers from State-owned Hospitals.
(a) The Health and Human Services Commission (HHSC) shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments and uncompensated care payments authorized under the federal Healthcare Transformation and Quality Improvement Waiver, excluding payments for physicians, pharmacies, and clinics, due to state-owned hospitals. Any amounts of such transferred funds not required for these payments shall be deposited by HHSC to the General Revenue Fund as unappropriated revenue.

(b) Payments for physicians, pharmacies, and clinics are governed by Special Provisions Relating Only to Agencies of Higher Education, §54, Transfer of Appropriations for Participation in the Healthcare Transformation and Quality Improvement Waiver.

(c) By October 1 of each fiscal year, HHSC shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board.

(d) The Comptroller of Public Accounts shall process all payments and transfers, unless disapproved or modified by the Legislative Budget Board or the Governor.

Special Provisions State Agencies of Higher Education Page III-256

Sec. 18. Annual Reports of Health Related Institutions Practice Plans. As a limitation and restriction upon appropriations made by this Act, all agencies that have a public health related institution covered under Article III shall not expend funds after a period of 120 days following the close of the fiscal year, unless there has been filed with the Governor, the State Auditor, the Legislative Budget Board, the Legislative Reference Library, and the Comptroller of Public Accounts an annual report as of August 31 of the preceding fiscal year showing the use of practice plan funds. The annual report shall conform to a uniform reporting system developed by the State Auditor's Office for all financial data concerning the health related institutions practice plans.

Sec. 20. Uncompensated Care Reporting Requirement. The public health-related institutions shall use the appropriations in this Act to include in their biennial legislative appropriations request information including the actual amount of uncompensated care provided through each institution's respective physician practice plan, and if applicable, hospital or clinic using the uncompensated care reporting requirement established by the Health and Human Services Commission.

Uncompensated care includes the unreimbursed costs for the uninsured (those with no source of third party insurance) and the underinsured (those with insurance who after contractual adjustment and third party payments have a responsibility to pay for an amount they are unable to pay). Uncompensated care also includes the unreimbursed cost from governmental sponsored health programs. To calculate uncompensated care, charges will be converted to costs by application of a standard, auditable ratio of cost to charge and providers will recognize appropriate patient specific funding and lump sum funding available to offset costs. Any amounts received by the Physician Practice Plan from Upper Payment Limit shall be counted as payments received for uncompensated care.

Sec. 21. County Indigent Care Contracts.
1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.

2. **County Indigent Care Contracts Reporting.** The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually (no later than March 1st) to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

10. **Pilot Program: Mission Specific Support - Performance Based Research Operations Formula.** The University of Texas Southwestern Medical Center has a mission that is research intensive. To enhance research capacity, assist the institution in leveraging research grants and gifts, and support expansion of the institution’s research operations, additional research formula funding shall be provided based on the following criteria:

a. General Revenue Research Operations Formula funding provided to The University of Texas Southwestern Medical Center in Strategy B.1.2, Performance Based Research Operations Formula, shall be allocated to the institution through two mechanisms.

   (1) Base Match allocations shall be based on the institution’s average annual research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board, excluding research expenditures from state appropriations. The Base Match rate shall be

12.1 percent for each fiscal year of the 2020-21 biennium. Thereafter, the Base Match rate shall be adjusted based on the average annualized increase or decrease in research expenditures from the prior biennium's three-year base average.

(2) Performance Incentive Tiered Match allocations shall be based on the increase of the institution's average annual research expenditures since the prior biennium. The calculation of this increase shall be based on the average annual research expenditures for the two-year base period preceding each biennium, as reported to the Higher Education Coordinating Board, excluding research expenditures from state appropriations. The Tiered Match shall allocate funding in three tiers that increase on a sliding scale. Tier 1 shall provide matching General Revenue funds at a rate of 25.0 percent for any increase in the institution's average annual research expenditures between $0 and $10,000,000. Tier 2 shall provide matching General Revenue funds at a rate of 50.0 percent for any increase in the institution's average annual research expenditures between $10,000,000 and $20,000,000. Tier 3 shall provide matching General Revenue funds at a rate of 75.0 percent for any increase in the institution's average annual research expenditures greater than $20,000,000.

The institution's Performance Based Research Operations Formula shall be expended for the purpose of research operations, expanding research capacity, and pursuing excellence in its research mission. Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.

For formula funding purposes, the amount of growth in total funding for the Performance Based Research Operations Formula from one biennium to another may not exceed 5.0 percent of the institution's total General Revenue appropriations in the prior biennium, excluding tuition revenue bond debt service. The Legislative Budget Board shall implement the funding in accordance with this limitation. The mission specific Performance Based Research Operations formula established in this subsection is a pilot formula for the 2020-21 biennium that expires at the end of the fiscal year ending August 31, 2021.

Special Provisions State Agencies of Higher Education Page III-262

13. **Mission Specific Support - Multicategorical Teaching Hospital Support.** The University of Texas Medical Branch at Galveston operates a state owned hospital with a statutorily-based mission to operate a hospital and health system. Funding allocated to The University of Texas Medical Branch at Galveston for its hospitals and health system shall be based on the following criteria:

a. General Revenue formula funding provided to The University of Texas Medical Branch at Galveston in Strategy A.1.7, Health System Operations, shall be based on the total number of Texas patient encounters in 2018 in trauma, primary care, diabetes, heart, psychiatry, and telemedicine. The rate per patient for each fiscal year of the 2020-21 biennium shall be $180.10. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.

b. The University of Texas Medical Branch at Galveston shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation, which provides the necessary information to calculate the formula allocations in subsection (a) above.

Special Provision Page IX-52

Sec. 10.02. Appropriation of Disproportionate Share Hospital Payments to State-Owned Hospitals. Disproportionate Share Hospital Program payments from the Health and Human Services Commission to state-owned hospitals are appropriated to the receiving state agency/hospital as replacement funding for funds transferred to the Health and Human Services Commission and are subject to the accounting provisions as required by the Comptroller including deposits to the fund or account from which the original source of transfers to the Health and Human Services Commission was made.

Sec. 10.06. Cross-Agency Coordination on Healthcare Strategies and Measures.
(a) Out of funds appropriated elsewhere in this Act, the Health and Human Services Commission shall coordinate with the Department of State Health Services, the Employees Retirement System of Texas, the Texas Department of Criminal Justice, and the Teacher Retirement System to compare healthcare data, including outcome measures, to identify outliers and improvements for efficiency and quality that can be implemented within each healthcare system. To administer the data comparison, HHSC shall expend $2.5 million per year with the Center for Healthcare Data at the University of Texas Health Science Center at Houston (UT Data Center) for data analysis, including individual benchmark and progress data for each agency. As applicable, agencies shall collaborate on the development and implementation of potential value-based payment strategies, including opportunities for episode-based bundling and pay for quality initiatives.
(b) The agencies shall meet quarterly to carry out coordination activities as described above.

(c) The agencies shall submit a report to the Legislative Budget Board and the Governor no later than September 1, 2020 describing coordination activities, efficiencies identified, individual agency policies and practices that have been improved due to the application of the data, and recommendations on future ways to reduce cost and improve quality of care in each healthcare system.

ARTICLE XIII. FORMULAS FOR MISSION SPECIFIC SUPPORT PILOT PROGRAMS
Notwithstanding Section 27, Article III of this Act:

(1) the mission specific Performance Based Research Operations formula established under Section 27(11) for The University of Texas Health Science Center at Houston is a pilot program, and the formula provided by that section is a pilot formula for the 2020-2021 biennium that expires at the end of the fiscal year ending August 31, 2021;

(2) the mission specific Performance Based Research Operations formula established under Section 27(12) for The University of Texas Health Science Center at San Antonio is a pilot program, and the formula provided by that section is a pilot formula for the 2020-2021 biennium that expires at the end of the fiscal year ending August 31, 2021; and

(3) the mission specific Multicategorical Teaching Hospital Support formula established under Section 27(13) for The University of Texas Medical Branch at Galveston is a pilot program, and the formula provided by that section is a pilot formula for the 2020-2021 biennium that expires at the end of the fiscal year ending August 31, 2021.

Hospital Financing

HHSC Page II-50

4. Hospital Uncompensated Care. No funds appropriated above for medical assistance payments may be paid to a hospital if the Health and Human Services Commission (HHSC) determines that the hospital has not complied with the commission's reporting requirements. HHSC shall ensure that the reporting of uncompensated care by Texas hospitals is consistent for all hospitals and subjected to a standard set of adjustments that account for payments to hospitals that are intended to reimburse uncompensated care. These adjustments are to be made in such a way that a reliable determination of the actual cost of uncompensated care in Texas is produced.

The commission shall conduct an appropriate number of audits to assure the accurate reporting of uncompensated hospital care costs.

HHSC shall submit a biennial report on uncompensated care costs to the Governor and Legislative Budget Board no later than December 1, 2020, which details the impact of patient specific and lump sum supplemental payments funding as offsets to uncompensated costs, impact of health care reform efforts on the funding streams that reimburse uncompensated care, and assess the need for those funding streams in future biennia. HHSC may report by hospital type. Although HHSC must report on all Texas hospitals, HHSC may use the most accurate data available for each hospital.

HHSC Page II-51

6. Hospital Reimbursement. Contingent upon federal approval, and to the extent allowed by law, no funds appropriated above for the payment of inpatient hospital fees and charges under the medical assistance program may be expended, except under a prospective payment methodology for all Medicaid inpatient claims, excluding state-owned teaching hospital Medicaid inpatient claims, that employs sound cost reimbursement principles and:

(a) enhances the Health and Human Services Commission's ability to be a prudent purchaser of health care;

(b) reflects costs that are allowable, reasonable and medically necessary to deliver health care services to the state's Medicaid population;

(c) reduces the variability in the Medicaid reimbursement rates paid to hospitals for treating patients with the same diagnoses;

(d) promotes and rewards increased efficiency in the operation of hospitals;

(e) emphasizes and rewards quality of outcomes and improves the treatment of Medicaid patients through pay-for-performance principles;

(f) recognizes, through add-on payments or other methods, the unique needs of individual hospitals, including rural hospitals.

26. Supplemental Payment Program Reporting and Appropriation Authority for Intergovernmental Transfers. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & Administration, the Health and Human Services Commission (HHSC) shall report certain financial and expenditure information regarding supplemental payment programs, including, but not limited to, the Disproportionate Share Hospital (DSH) program, the Uncompensated Care (UC) Pool, the Delivery System Reform Incentive Payment (DSRIP) Pool, the Network Access Improvement Program (NAIP), supplemental payments where the source of the non-federal share is Local Provider Participation Funds (LPPF), and other programs operated under the Healthcare Transformation and Quality Improvement Program 1115 Waiver, and any successor programs. In addition, HHSC shall gather information on all mandatory payments to a Local Provider Participation Fund (LPPF) and all uses for such payments, including the amount of funds from an LPPF for each particular use.

(a) HHSC shall report quarterly:

1. Prospective payment estimates, aligning estimated payments reporting with the CMS-37. The report will include a prospective certification that the requisite matching state and local funds are, or will be, available for the certified quarter. The quarterly financial report provides a statement of the state's Medicaid funding requirements for a certified quarter through summary data by each program; and

2. Expenditures made in the previous quarter, aligning expenditure reporting with the CMS- 64. The report will include actual expenditures allowable under state and federal requirements. HHSC will report the recipients of all funds distributed by the commission for all supplemental payment programs. The report shall include:

   A. the recipients of funds by program;
   B. the amount distributed to each recipient;
   C. the date such payments were made; and
   D. all mandatory payments to an LPPF, including the amounts for each particular use.

(b) Intergovernmental transfers (IGTs) of funds from institutions of higher education are appropriated to HHSC for the non-federal share of uncompensated care or delivery system reform incentive payments or monitoring costs under the Healthcare Transformation and Quality Improvement Program 1115 Waiver.

(c) In an effort to maximize the receipt of federal Medicaid funding, HHSC is appropriated and may expend IGT received as Appropriated Receipts-Match for Medicaid No. 8062 for the purpose of matching Medicaid Federal Funds for payments to Medicaid providers and to offset administrative costs for programs HHSC administers for other entities.

(d) From funds appropriated elsewhere in the act, HHSC shall provide a copy of the annual independent audit conducted of DSH and UC in compliance with federal requirements. HHSC shall provide a report that annually by June 30 to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the Senate Finance Committee members, the House Appropriations Committee members, and the Legislative Budget Board.

(e) HHSC will use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments and uncompensated care payments authorized under the federal

Healthcare Transformation and Quality Improvement Waiver, excluding payments for physicians, pharmacies, and clinics, due to state-owned hospitals. Any amounts of such transferred funds not required for these payments shall be deposited by HHSC to the General Revenue Fund as unappropriated revenue. Payments for physicians, pharmacies, and clinics are governed by Special Provisions Relating Only to Agencies of Higher Education,§54.

(f) By October 1 of each fiscal year, HHSC shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board.

(g) HHSC shall also evaluate the impact of reductions in funding available under the federal Healthcare Transformation and Quality Improvement Waiver. HHSC shall report on the evaluation and findings to the Governor, the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House of Representatives, and the members of the Senate Finance Committee and House Appropriations Committee by October 1, 2020.

HHSC Page II-60

28. Rural Labor and Delivery Medicaid Add-on Payment. Included in amounts appropriated above to the Health and Human Services Commission (HHSC) in Strategy A.1.3, Pregnant Women, is $3,146,400 in General Revenue and $4,853,600 in Federal Funds in fiscal year 2020 and $3,050,400 in General Revenue and $4,949,600 in Federal Funds in fiscal year 2021 for HHSC to provide a $500 Medicaid add-on payment for labor and delivery services provided by rural hospitals. For purposes of this rider, rural hospitals are defined as (1) hospitals located in a county with 60,000 or fewer persons according to the 2010 U.S. Census; or (2) a hospital designated by Medicare as a Critical Access Hospital (CAH), a Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or (3) a hospital that has 100 or fewer beds, is designated by Medicare as a CAH, a SCH, or a RRC, and is located in an MSA.

HHSC Page II-61

36. Evaluation of Children's Hospital Reimbursement. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & Administration, the Health and Human Services Commission shall evaluate Medicaid and CHIP reimbursement methodologies for free-standing, non-profit children's hospitals.

Hospital Specific Programs

HHSC Page II-73

88. Parkland Senior Care Project. It is the intent of the Legislature that a total of $302,100 for the 2020-21 appropriated in Strategy D.1.11, Community Primary Care Services, be expended for the Parkland Senior Care Project.

HHSC Page II-76

101. Stroke Treatment and Response.
(a) Included in amounts appropriated above in Strategy D.1.10, Additional Specialty Care, is $500,000 in General Revenue in fiscal year 2020 and $500,000 in General Revenue in fiscal year 2021 for the Health and Human Services Commission (HHSC) to provide funding for services provided by mobile stroke units.

(b) It is the intent of the Legislature that, out of funds appropriated above in Strategies in Goal A, Medicaid Client Services, HHSC shall reimburse for tissue plasminogen activator (tPA) for treatment of stroke.

THECB Page III-61

54. Northeast Texas Initiative. Out of funds appropriated above in Strategy E.1.4, Northeast Texas Initiative, $1,250,000 in General Revenue for each fiscal year shall be used to contract with The University of Texas Health Science Center at Tyler to be used for the Northeast Texas Initiative.

Medicaid/Managed Care

HHSC Page II-53

12. Medicaid Medical Transportation.

(a) Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts and Administration, the Health and Human Services Commission (HHSC) shall determine unmet transportation need based on information available from Medicaid client surveys to estimate the percentage of clients who did not use the Medical Transportation Program and experienced either a difficult or very difficult time obtaining transportation to medical appointments. HHSC shall notify the Legislative Budget Board and the relevant standing committees of the Legislature within 90 days of completing survey data collection if unmet transportation needs exceed 16 percent of total Medicaid clients. The notification must outline how the agency will address unmet transportation needs.

(b) HHSC shall report the pre-audit average cost per trip of the most recent fiscal year, and the final average cost per trip of the prior fiscal year. HHSC shall submit the report to the Governor, the Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services not later than 180 days after the end of each fiscal year.

HHSC Page II-54

16. Evaluation of Medicaid Data. Out of the funds appropriated above, the Health and Human Services Commission shall annually evaluate data submitted by managed care organizations to determine whether the data continues to be useful or if additional data, such as measurements of recipient services, is needed to oversee contracts or evaluate the effectiveness of Medicaid.

HHSC Page II-62

43. Quality- and Efficiency-based Enrollment Incentive Program. Pursuant to Government Code § 533.00511, the Health and Human Services Commission (HHSC) shall create an incentive program that automatically enrolls a greater percentage of Medicaid recipients who have not selected a managed care plan into a plan based on quality of care, efficiency and effectiveness of service provision, and performance. Appropriations in Strategy B.1.1, Medicaid Contracts & Administration, for fiscal year 2021 are contingent on HHSC implementing the required program by September 1, 2020. HHSC shall report on the status of the incentive program to the Governor and the Legislative Budget Board by January 15, 2021. The report shall include metrics for the incentive program that are transparent to managed care plans and providers in three areas: cost, quality of care, and Medicaid member satisfaction.

112. Office of Inspector General Report. Out of funds appropriated above in Strategy K.1.1, Office of Inspector General, the Office of Inspector General shall submit, on a quarterly basis, the following information related to the expansion of managed care to the Legislative Budget Board and the Governor:

a. The challenges the Office of Inspector General is encountering in preventing, detecting, and investigating fraud, waste, and abuse throughout the entire health and human services system, including verification of services, compliance of Managed Care Organizations with program integrity requirements, quality and accuracy of encounter data, collaborative efforts with Special Investigation Units, audits of Managed Care Organizations, and any deficiencies in the agency's statutory authority.

b. Strategies the Office of Inspector General is implementing to address the challenges encountered in combating fraud, waste, and abuse throughout the entire health and human services system.

The Office of Inspector General may submit the above information in an individual report prepared in a format specified by the Legislative Budget Board or include the information in the quarterly report required pursuant to Government Code, §531.102.

114. Office of Inspector General: Managed Care Organization Performance, Reporting Requirement.
(a) Out of funds appropriated above in Strategy K.1.2, OIG Administrative Support, the Office of Inspector General (OIG) shall collaborate with Medicaid and Children's Health Insurance Program (CHIP) Managed Care Organizations (MCOs) to continue to review cost avoidance and waste prevention activities employed by MCOs throughout the state, as well as OIG's efforts to combat fraud, waste, and abuse in Medicaid managed care programs. The review shall include:

(1) the strategies MCOs are implementing to prevent waste, including, but not limited to recovering overpayments, reducing Potentially Preventable Events (PPE), and conducting internal monitoring and audits;

(2) the effectiveness of strategies employed by MCOs to prevent waste and the adequacy of current functions;

(3) the allocation of resources for activities that directly or indirectly contribute to the prevention, detection, audit, inspection, or review of fraud, waste, and abuse in Medicaid managed care programs, including:

(A) Actual expenditures for fiscal year 2020 and planned expenditures for fiscal year 2021;
(B) Actual allocation of FTEs for fiscal year 2020 and the planned allocation of FTEs for fiscal year 2021 grouped by type of activity; and
(C) Any other information relevant to assess the percentage of resources used to perform activities related to Medicaid managed care relative to other OIG activities.

(4) The total incidence of fraud, waste, and abuse identified by the OIG in Medicaid managed care programs by entity, including Medicaid recipients, providers, managed care organizations, or hospitals; and

(b) The Office of Inspector General shall submit a report to the Legislative Budget Board and the Governor by March 1, 2020, detailing the information related to OIG's efforts to combat fraud, waste, and abuse in Medicaid managed care programs, as well as its findings and recommendations related to cost avoidance and waste prevention activities, employed by MCOs.

Opioid/Prescription Drugs

HHSC Page II-60

30. Study on Cost Savings for Medicaid Prescription Drugs. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & Administration, the Health and Human Services Commission (HHSC) shall evaluate strategies to achieve cost savings for Medicaid prescription drugs, including the direct dispensing of prescription drugs by physicians. HHSC shall submit a report with findings and recommendations for achieving cost savings to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, the Governor, and permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services by September 1, 2020.

HHSC Page II-60

34. Evaluation of Opioid Drug Prescribing Practices Under Medicaid. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & Administration, the Health and Human Services Commission (HHSC) shall evaluate the prescribing practices for opioid drugs in the state under Medicaid and assess to what extent those practices align with the guidelines for prescribing opioid drugs adopted by the Centers for Disease Control and Prevention. No later than September 1, 2020, HHSC shall submit a report to the Legislature, Legislative Budget Board, and the Governor, that includes findings of the evaluation and recommendations for next steps to take to better align the prescribing practices for opioid drugs in this state under Medicaid with the guidelines for prescribing opioid drugs adopted by the Centers for Disease Control and Prevention.

HHSC Page II-68

66. Consolidated Reporting of Opioid-Related Expenditures. No later than October 1 of each year, the Executive Commissioner of the Health and Human Services Commission (HHSC) shall submit to the Legislature, Legislative Budget Board, and the Governor a report that provides information about actual annual expenditures from the previous fiscal year for all opioid abuse and misuse-related programs at HHSC, the Department of Family and Protective Services, and the Department of State Health Services, including but not limited to prevention, treatment, recovery, intervention, and detoxification services. The report shall include expenditure data by program at the method of finance level. The report shall include the amount distributed by Article II agencies to institutions of higher education for each program at the method of finance level.

HHSC Page II-79

113. Lock-In for Controlled Substances. Out of funds appropriated above and consistent with Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter K, the Office of Inspector General shall collaborate with managed care organizations to maintain a lock-in program related to controlled substances to maximize savings and prevent substance abuse.

HHSC Page II-103

170. Clear Process for Including Prescription Drugs on the Texas Drug Code Index. The Health and Human Services Commission (HHSC) shall make clear their process for the inclusion of prescription drugs in the Medicaid and Children's Health Insurance Programs. In maintaining the prescription drug inclusion process, HHSC shall ensure that the timeline for review, including initiation of drug review, clinical evaluation, rate setting, Legislative Budget Board notification, and making the product available, does not extend past the 90th day of receipt of the completed application for coverage on the Texas Drug Code Index. After the applicable Drug Utilization Review Board meeting and approval by the HHSC Executive Commissioner, HHSC will complete the public posting of medical policies associated with the product.

Public Health

DSHS Page II-33

29. Cost Analysis of Outbreak Involving Certain Vaccine Preventable Diseases. Out of the funds appropriated above, the Department of State Health Services shall study and assess the direct and indirect economic costs incurred by the department and local public health organizations in responding to vaccine preventable diseases outbreaks. Not later than September 1, 2020, the department shall: (1) prepare all findings from the study; (2) submit the findings to the relevant House and Senate committees; and (3) submit the findings to the Public Health Funding and Policy Committee.

HHSC Page II-62

40. Hepatitis C Treatment Access. Out of funds appropriated above in Strategy L.1.1, HHS System Supports, the Health and Human Services Commission (HHSC), in cooperation with the Texas Department of Criminal Justice, Employees Retirement System, and Teacher Retirement System, shall explore the feasibility of implementing a model allowing the state to pay a flat monthly rate for unlimited access to medications or other bulk purchasing or negotiating opportunities to treat individuals with Hepatitis C who are eligible to have prescription drugs provided with state funds. HHSC shall prepare and submit a report on the cost-effectiveness and projected savings of implementing such a model to the Governor, Legislative Budget Board, and permanent committees in the House of Representatives and the Senate with jurisdiction over health and human services no later than July 1, 2020.

Telemedicine

HHSC Page II-74

94. Pediatric Health Tele-Connectivity Resource Program for Rural Texas. Included in amounts appropriated above in Strategy D.1.10, Additional Specialty Care, is $1,210,808 in General Revenue and $1,289,193 in Federal Funds in fiscal year 2020 and $1,234,177 in General Revenue and $1,265,823 in Federal Funds in fiscal year 2021 to establish a pediatric tele-connectivity resource program for rural Texas pursuant to Chapter 541 of the Government Code.

Any unexpended balances in General Revenue or Federal Funds as of August 31, 2020, are appropriated for the fiscal year beginning September 1, 2020, to establish a pediatric telemedicine connectivity resource program for rural Texas pursuant to Chapter 541 of the Government Code.

Trauma Care/ Funding

HHSC Page II-52

11. Hospital Payments. Included in amounts appropriated above to the Health and Human Services Commission (HHSC) in all Strategies in Goal A, Medicaid Client Services, is $57,971,931 in General Revenue Funds, $100,471,474 in Interagency Contracts, and $244,412,951 in Federal Funds ($402,856,356 in All Funds) in fiscal year 2020 and $54,941,121 in General Revenue Funds, $100,471,474 in Interagency Contracts, and $252,173,545 in Federal Funds ($407,586,140 in All Funds) in fiscal year 2021 to provide Medicaid hospital add-on payments for trauma care and safety-net hospitals and add-on payments and rate increases for rural hospitals as follows:

(a) $70,794,000 in Interagency Contracts and $109,206,000 in Federal Funds in fiscal year 2020 and $68,634,000 in Interagency Contracts and $111,366,000 in Federal Funds in fiscal year 2021 for trauma care;

(b) $29,317,526 in General Revenue Funds, $29,677,474 in Interagency Contracts,and $91,005,000 in Federal Funds in fiscal year 2020 and $25,357,526 in General Revenue Funds, $31,837,474 in Interagency Contracts, and $92,805,000 in Federal Funds in fiscal year 2021 for safety-net hospitals;

(c) $11,799,000 in General Revenue Funds and $18,201,000 in Federal Funds in fiscal year 2020 and $11,439,000 in General Revenue Funds and $18,561,000 in Federal Funds in fiscal year 2021 for rural hospitals to maintain increases and add-ons related to general outpatient reimbursement rates, outpatient emergency department services that do not qualify as emergency visits, the outpatient hospital imaging services fee schedule, and the outpatient clinical laboratory services fee schedule;

(d) $11,484,360 in General Revenue Funds and $17,715,640 in Federal Funds in fiscal year 2020 and $12,773,550 in General Revenue Funds and $20,726,450 in Federal Funds in fiscal year 2021 for rural hospitals to increase inpatient rates by trending forward from 2013 to 2020 using an inflationary factor; and

(e) $5,371,045 in General Revenue Funds and $8,285,311 in Federal Funds in fiscal year 2020 and $5,371,045 in General Revenue Funds and $8,715,095 in Federal Funds in fiscal year 2021 for rural hospitals to provide increases to inpatient rates in addition to those identified in subsection (d).

HHSC shall develop a methodology to implement the add-on payments pursuant to funding identified in subsection (b) that targets the state's safety-net hospitals, including those hospitals that treat high percentages of Medicaid and low-income, uninsured patients. Total reimbursement for each hospital shall not exceed its hospital specific limit.

For purposes of subsections (c), (d), and (e), rural hospitals are defined as (1) hospitals located in a county with 60,000 or fewer persons according to the 2010 U.S. Census; or (2) a hospital designated by Medicare as a Critical Access Hospital (CAH), a Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or

(3) a hospital that has 100 or fewer beds, is designated by Medicare as a CAH, a SCH, or a RRC, and is located in an MSA. No reimbursement may exceed the hospital specific limit and reimbursement

for outpatient emergency department services that do not qualify as emergency visits may not exceed 65 percent of cost.

To the extent possible, HHSC shall ensure any funds identified in this rider that are included in Medicaid managed care capitation rates are distributed by the managed care organizations to the hospitals. The expenditure of funds identified in this rider that are not used for targeted increases to hospital provider rates as outlined above shall require prior written approval of the Legislative Budget Board.

HHSC Page II-61

39. Emergency Medical Services Enhanced Payment Model. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & Administration, the Health and Human Services Commission shall conduct a study on the feasibility and cost-effectiveness of establishing an enhanced payment model for non-state government-operated public providers of ground emergency medical transportation services, which includes Medicaid fee-for-service supplemental payments and an enhanced Medicaid Managed Care fee schedule for public ambulance providers. The report shall also include an analysis of any effect an enhanced payment model for non-state government-operated public providers of ground emergency medical services would have on Uncompensated Care Pool funding and whether providers eligible for the emergency medical services enhanced payment model should continue to be eligible for payments from the Uncompensated Care Pool.

HHSC Page II-62

41. Regional Advisory Council Diversion Evaluation. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts and Administration, the Health and Human Services Commission (HHSC) shall evaluate the feasibility of requiring trauma service area regional advisory councils to implement a program to allow emergency medical services providers to navigate medically stable psychiatric emergency detention patients to the most appropriate setting. As part of the evaluation, HHSC shall consider the potential for Medicaid cost savings and options for providing reimbursement to the regional advisory councils or emergency medical services providers with those savings. HHSC shall report to the Governor and the Legislative Budget Board on the results of the evaluation, including any recommendations, no later than October 31, 2020.

HHSC Special Provisions Page II-115

Sec. 17. Use of Trauma Fund Receipts. In an effort to maximize the availability of Federal Funds under Medicaid for the purposes of providing reimbursement for uncompensated trauma care at designated facilities and providing increases in Medicaid inpatient provider rates, the Department of State Health Services (DSHS) and the Health and Human Services Commission (HHSC) shall enter into an interagency contract to allow for the transfer of funds from General Revenue-Dedicated Designated Trauma Facility and EMS Account No. 5111, from DSHS to 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.

Appropriations include $115,022,700 in fiscal year 2020 and $115,022,700 in fiscal year 2021 out of the General Revenue-Dedicated Designated Trauma Facility and EMS Account No. 5111 to the Department of State Health Services, Strategy B.2.1, EMS and Trauma Care Systems. Of that amount, $100,471,474 in each fiscal year is to be transferred through the interagency contract to HHSC to provide add-on payments for trauma care and safety-net hospitals in Medicaid.

If funds are not available in the amount appropriated from General Revenue-Dedicated Designated

Trauma Facility and EMS Account No. 5111 in this Act, the amounts identified for transfer through interagency contract to HHSC shall be reduced by the amount that funds are less than appropriations and an equal amount of General Revenue Funds is appropriated to HHSC.

Women's Health

DSHS Page II-32

28. Maternal Mortality and Morbidity. Amounts appropriated above to the Department of State Health Services (DSHS) in Strategy B.1.1, Maternal and Child Health include the following in each fiscal year of the 2020-21 biennium:

1. $1,330,000 in General Revenue and 6.0 FTEs to implement maternal safety initiatives statewide;
2. $1,170,000 in General Revenue and 2.0 FTEs to develop and establish a high-risk maternal care coordination services pilot for women of childbearing age, which may include the following:

    (1) Conducting a statewide assessment of training courses;

    (2) Studying existing models of high-risk maternal care coordination services;

    (3) Identifying, adapting, or creating a risk assessment tool to identify pregnant women who are at a higher risk for poor pregnancy, birth, or postpartum outcomes and train providers on use of the risk assessment tools; and

    (4) Creating educational materials for promotoras or community health workers; and

3. $1,000,000 in General Revenue to increase public awareness and prevention activities related to maternal mortality and morbidity.

Additionally, out of funds appropriated above, DSHS in coordination with the Maternal Mortality and Morbidity Task Force shall annually collect information relating to postpartum depression screening and treatment under state health programs administered by the Health and Human Services Commission, including Medicaid and Healthy Texas Women.

HHSC Page II-68

70. Payments to Health Centers for the Healthy Texas Women Program. It is the intent of the Legislature that the Health and Human Services Commission (HHSC) shall, to the extent allowable by federal law, reimburse Federally Qualified Health Centers for family planning services under Strategy D.1.1, Women's Health Programs, funding for the Healthy Texas Women Program, using a prospective payment system at a per visit rate, not to exceed three payments during a calendar year.

HHSC Page II-69

72. Prohibition on Abortions.
(a) It is the intent of the Legislature that no funds shall be used to pay the direct or indirect costs (including marketing, overhead, rent, phones, and utilities) of abortion procedures provided by contractors of the Health and Human Services Commission.

(b) It is also the intent of the Legislature that no funds appropriated for Medicaid Family Planning, Healthy Texas Women Program, or the Family Planning Program shall be distributed to individuals or entities that perform elective abortion procedures or that contract with or provide funds to individuals or entities for the performance of elective abortion procedures.

(c) The commission shall include in its financial audit a review of the use of appropriated funds to ensure compliance with this section.

HHSC Page II-69

73. Funding for Family Planning Instruction. None of the funds appropriated above may be used to implement human sexuality instruction or family planning instruction, or to provide instructional materials for use in human sexuality instruction or family planning instruction, if the instruction or instructional materials are provided or prepared by an individual or entity that performs elective abortions or an affiliate of an individual or entity that performs elective abortions.

HHSC Page II-69

74. Women's Health Programs: Savings and Performance Reporting. The Health and Human Services Commission shall submit an annual report on the Healthy Texas Women (HTW), Family Planning Program (FPP), and Breast and Cervical Cancer Services Program, due May 1 of each year, to the Legislative Budget Board and the Governor's Office that includes the following information:

(a) Enrollment levels of targeted low-income women and service utilization by geographic region, including total number of unduplicated patients served, delivery system, and age from the prior two fiscal years;

(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;

(d) The total number of providers, by geographic region, enrolled in HTW and FPP networks, and providers from legacy Women's Health Programs (including Texas Women's Health Program) not to include duplications of providers or ancillary providers;

(e) The average and median numbers of program clients, and the total number of unduplicated patients served, detailed by provider;

(f) The count of women in HTW and FPP receiving a long-acting reversible contraceptive;

(g) The service utilization by procedure code. The annual report submitted as required above must satisfy federal reporting requirements that mandate the most specific, accurate, and complete coding and reporting for the highest level of specificity;

(h) Total expenditures, by method of finance and program; and

(i) Number of unduplicated women auto-enrolled into HTW from Medicaid for Pregnant women.

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 ten percent relative to the prior two fiscal years, the agency shall,

within existing resources, undertake corrective measures to expand provider capacity and/or client outreach and enrollment efforts.

HHSC Page II-70

75. Funding for Healthy Texas Women Program. Funds appropriated above in Strategy D.1.1, Women's Health Programs, include $50,577,980 in General Revenue and $57,695,214 in Federal Funds in fiscal year 2020 and $53,692,557 in General Revenue and $57,960,141 in Federal Funds in fiscal year 2021 for the Healthy Texas Women program. These amounts assume approval of the Healthy Texas Women Section 1115 Demonstration Waiver application. In the event federal matching funds do not become available or are available in a lesser amount, the Health and Human Services Commission shall seek approval to transfer funds from other sources prior to making any reductions to service levels.

HHSC Page II-70

76. Healthy Texas Women Cost Reimbursement Program. Out of funds appropriated above in Strategy D.1.1, Women's Health Programs, the Health and Human Services Commission (HHSC) may operate the Healthy Texas Women (HTW) Cost Reimbursement program if HHSC is able to do so without exceeding All Funds appropriations. Not more than five percent of funds expended on the HTW Cost Reimbursement program shall be expended on providers' administrative functions.

HHSC Page II-70

77. Long-acting Reversible Contraceptive Devices.
(a) Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts and Admin, and Strategy L.1.1, HHS System Supports, the Health and Human Services Commission (HHSC) shall coordinate with the State Board of Pharmacy to determine the feasibility of implementing a process in which unused long-acting reversible contraceptive (LARC) devices prescribed for clients enrolled in Medicaid or the Healthy Texas Women (HTW) program can be transferred to another Medicaid or HTW client. If feasible and cost effective, HHSC may implement the process.
(b) Contingent upon approval by the Centers for Medicare and Medicaid Services (CMS) of the HTW Section 1115 Demonstration Waiver, HHSC shall work with CMS to determine if LARC bulk purchasing can be added to the waiver and receive federal matching funds.

HHSC Page II-70

78. Breast and Cervical Cancer Services Program Funding. Included in amounts appropriated above in Strategy D.1.1, Women's Health Programs, is $2,364,439 in General Revenue and $9,144,526 in Federal Funds in each fiscal year for the Breast and Cervical Cancer Services (BCCS) Program. In the event federal funds are available in a lesser amount, the Health and Human Services Commission shall seek approval to transfer funds from other sources prior to making any reductions to service levels.

HHSC Special Provisions Page II-104

176. Contingency for Senate Bill 750. Contingent on enactment of Senate Bill 750, or similar legislation relating to maternal and newborn health care and the quality of services provided to women in this state under certain health care programs, by the Eighty-sixth Legislature, Regular Session, the Health and Human Services Commission is appropriated $1,029,200 for fiscal year 2020 and $13,643,638 for fiscal year 2021 from General Revenue in Strategy D.1.1, Women's Health Programs, to implement a limited postpartum care package in the Healthy Texas Women program.

Sec. 6.25. Limitation on Abortion Funding. To the extent allowed by federal and state law, money appropriated by this Act may not be distributed to any individual or entity that, during the period for which funds under this Act are appropriated:

(1) Performs an abortion procedure that is not reimbursable under the state's Medicaid program;

(2) Is commonly owned, managed, or controlled by an entity that performs an abortion procedure that is not reimbursable under the states' Medicaid program; or

(3) Is a franchise or affiliate of an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program.

This provision does not apply to a hospital licensed under Chapter 241, Health & Safety Code, or an office exempt under Section 245.004(2), Health and Safety Code.