

## **Highlights of HB 2292**

HB 2292 reorganizes the state's health and human services structure, streamlining services to ensure that they are provided in the most client-responsive and cost-effective manner possible. It saves taxpayers more than \$1 billion. Much of those savings are assumed by the conference committee agreement on HB 1, the appropriations bill for our two-year state budget.

### **Restructuring Provisions:**

- Restructures and consolidates all of the functions of 12 health & human service agencies into four new agencies under the umbrella of the Department of Health & Human Services. The four newly created agencies are: the Department of State Health Services; Department of Aging and Disability Services; Department of Family and Protective Services; and Department of Assistive and Rehabilitative Services.
- Establishes a system of call centers for enrollment information into state health and human services, if such a system is proven cost effective.

### **Medicaid & Children's Health Insurance Program:**

- Requires that Medicaid be the payor of last resort, after reimbursement from other sources, including Medicare, Medicare fiscal intermediaries, and any third parties.
- Creates a preferred drug list to enable the state to negotiate prescription drug costs and creates a 4-brand, 34-day prescription supply maximum.
- Maintains six-month continuous eligibility checks for Medicaid, and allows third-party information to be used in eligibility determination.
- Establishes cost-sharing and allows HHSC to require prior authorization for high-cost medical services.
- Establishes CHIP eligibility at 200% of the federal poverty level.
- Provides for 6 months of continuous eligibility, creates a 90-day waiting period, implements drug supply limits and institutes an assets test.
- Removes the exemption from the insurance premium tax for CHIP and Medicaid HMOs and PCCMs.
- Strengthens efforts to prevent fraud and abuse by creating an Office of Inspector General to operate autonomously within HHSC, granting HHSC subpoena power, allowing the Attorney General to pursue criminal asset forfeiture for felony violations, and requiring an integrity review by HHSC prior to launching a full investigation.
- Establishes a Medicaid fraud pilot program utilizing "smart card" technology to ensure that services are being provided to those eligible.

### **TANF Benefits:**

- Establishes a "Pay for Performance" program allowing eligibility for cash benefits to continue for those in compliance with personal responsibility agreements.
- Benefits for noncompliant individuals are suspended until they have re-established compliance for 30 days with exceptions for pregnant women, children and those who can demonstrate "good cause."
- Creates a temporary, six-month exclusion of new spouse's income in eligibility determination if the couple's combined family income does not exceed 200% of the federal poverty level.

### **General Provisions:**

- Allows nursing homes to pursue alternative accreditation and establishes a nursing facility quality assurance team, and creates a fairness provision precluding nursing homes from facing "double-jeopardy" by being assessed both state and federal-level penalties for the same violation
- Requires health and human service agencies to contract with the Department of Transportation for client transportation services (this is optional for the Department of Family and Protective Services) and allows TxDOT to contract with regional brokers; Moves the Transitional Planning Program into Vocational Rehabilitation Services to qualify for federal matching funds
- Allows TDH to charge licensing fees to cover costs of administering licensing programs, and establishes a two-year license renewal period, consistent with the change made this session in regard to the Board of Medical Examiners.