

HOUSE BILL 498

By Hale

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 62 and Title 63, relative to state agencies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 63, Chapter 1, Part 1, is amended by adding the following as a new section:

**63-1-177.**

(a) There is created an advisory task force on state reimbursement rates to make recommendations on annual adjustments to the reimbursement rates paid to agencies that perform healthcare functions and services in this state, the purpose of which is to ensure such reimbursement rates are adequate.

(b)

(1) The advisory task force consists of:

(A) Three (3) members appointed by the speaker of the house of representatives;

(B) Three (3) members appointed by the speaker of the senate;

(C) The commissioner of labor and workforce development or the commissioner's designee;

(D) The commissioner of mental health and substance abuse services or the commissioner's designee;

(E) The director of TennCare or the director's designee; and

(F) The commissioner of disability and aging or the commissioner's designee.

(2) The members appointed under subdivisions (b)(1)(A) and (B) shall each represent a different health-related profession.

(3) The members listed in subdivisions (b)(1)(C)-(F) serve as ex officio non-voting members.

(4)

(A) In order to stagger the terms of the members appointed under subdivisions (b)(1)(A) and (B):

(i) The members appointed by the speaker of the house of representatives shall serve initial terms of three (3) years; and

(ii) The members appointed by the speaker of the senate shall serve initial terms of four (4) years.

(B) All subsequent appointments are for six-year terms that begin on July 1 and end on June 30 of each applicable year.

(c) The task force is attached to the department of health for administrative purposes.

(d) The commissioner of labor and workforce development shall serve as chair of the advisory task force, and shall call the first meeting.

(e) The members of the task force serve without compensation but must receive reimbursement for their necessary expenses. All reimbursement for travel expenses must be in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

(f) The advisory task force may conduct meetings by electronic or other means of communication pursuant to § 8-44-108 for the benefit of the public and the task force

in connection with a meeting authorized by law; provided, that a physical quorum must be maintained at the location of the meeting where recommendations will be adopted.

(g) The task force is authorized to:

(1) Make recommendations to agencies with provider contracts to ensure the:

(A) Salaries and benefits of essential agency staff persons are sufficient to fund the appropriate level of care vital to this state's most vulnerable citizens; and

(B) Administrative costs to such agencies who employ direct support professionals are reasonable based on the services provided; and

(2) Determine the reason for and solutions to the healthcare frontline workforce shortage.

(h) The advisory task force shall consider:

(1) The provider agency's cost of doing business with the state and the inherent burdens associated with state contracts;

(2) The salaries and benefits of similar professionals employed by the state and other similar agencies;

(3) The impact of the direct support professional's employment on their ability to receive other state and federal benefits;

(4) The cost-of-living adjustments experienced by direct support professionals in this state;

(5) The provider agency's cost of providing benefits and administrative support to direct support professionals; and

(6) Any barriers to licensure or employment for direct support professionals created by statute, administrative rules, or employment arrangements.

(i) The task force shall make recommendations to the relevant state officials and agencies holding provider contracts by August 1 of each year, beginning in 2026.

Additionally, the annual report must be submitted to the chair of the senate finance, ways and means committee, the chair of the committee of the house of representatives with jurisdiction over subject matters pertaining to finance, the chair of the senate health and welfare committee, the chair of the committee of the house of representatives having jurisdiction over subject matters pertaining to health, the governor, and the commissioner of finance and administration.

SECTION 2. Tennessee Code Annotated, Section 4-29-248(a), is amended by inserting the following as a new subdivision:

( ) Advisory task force on state reimbursement rates, created by § 63-1-177;

SECTION 3. For the purpose of appointing members to the advisory task force, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect July 1, 2025, the public welfare requiring it.