

AN ACT

relating to the award of health plan provider contracts under Medicaid managed care.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.0035 to read as follows:

Sec. 533.0035. CERTIFICATION BY COMMISSION. (a) Before the commission may award a contract under this chapter to a managed care organization, the commission shall evaluate and certify that the organization is reasonably able to fulfill the terms of the contract, including all requirements of applicable federal and state law.

(b) Notwithstanding any other law, the commission may not award a contract under this chapter to a managed care organization that does not receive the certification required under this section.

(c) A managed care organization may appeal a denial of certification by the commission under this section.

SECTION 2. Section 533.004(a), Government Code, is amended to read as follows:

(a) Subject to the considerations required under Section 533.003 and the certification required under Section 533.0035, in ~~In~~ providing health care services through Medicaid managed care to recipients in a health care service region, the commission shall

1 contract with a managed care organization in that region that is
2 licensed under Chapter 843, Insurance Code, to provide health care
3 in that region and that is:

4 (1) wholly owned and operated by a hospital district
5 in that region;

6 (2) created by a nonprofit corporation that:

7 (A) has a contract, agreement, or other
8 arrangement with a hospital district in that region or with a
9 municipality in that region that owns a hospital licensed under
10 Chapter 241, Health and Safety Code, and has an obligation to
11 provide health care to indigent patients; and

12 (B) under the contract, agreement, or other
13 arrangement, assumes the obligation to provide health care to
14 indigent patients and leases, manages, or operates a hospital
15 facility owned by the hospital district or municipality; or

16 (3) created by a nonprofit corporation that has a
17 contract, agreement, or other arrangement with a hospital district
18 in that region under which the nonprofit corporation acts as an
19 agent of the district and assumes the district's obligation to
20 arrange for services under the Medicaid expansion for children as
21 authorized by Chapter 444, Acts of the 74th Legislature, Regular
22 Session, 1995.

23 SECTION 3. If before implementing any provision of this Act
24 a state agency determines that a waiver or authorization from a
25 federal agency is necessary for implementation of that provision,
26 the agency affected by the provision shall request the waiver or
27 authorization and may delay implementing that provision until the

1 waiver or authorization is granted.

2 SECTION 4. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1244 passed the Senate on April 29, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1244 passed the House on May 26, 2021, by the following vote: Yeas 132, Nays 15, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor