

1-1 By: Perry S.B. No. 1244  
 1-2 (In the Senate - Filed March 9, 2021; March 18, 2021, read  
 1-3 first time and referred to Committee on Health & Human Services;  
 1-4 April 20, 2021, reported favorably by the following vote: Yeas 8,  
 1-5 Nays 0; April 20, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the award of health plan provider contracts under  
 1-20 Medicaid managed care.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter A, Chapter 533, Government Code, is  
 1-23 amended by adding Section 533.0035 to read as follows:

1-24 Sec. 533.0035. CERTIFICATION BY COMMISSION. (a) Before  
 1-25 the commission may award a contract under this chapter to a managed  
 1-26 care organization, the commission shall evaluate and certify that  
 1-27 the organization is reasonably able to fulfill the terms of the  
 1-28 contract, including all requirements of applicable federal and  
 1-29 state law.

1-30 (b) Notwithstanding any other law, the commission may not  
 1-31 award a contract under this chapter to a managed care organization  
 1-32 that does not receive the certification required under this  
 1-33 section.

1-34 (c) A managed care organization may appeal a denial of  
 1-35 certification by the commission under this section.

1-36 SECTION 2. Section 533.004(a), Government Code, is amended  
 1-37 to read as follows:

1-38 (a) Subject to the considerations required under Section  
 1-39 533.003 and the certification required under Section 533.0035, in  
 1-40 [~~It~~] providing health care services through Medicaid managed care  
 1-41 to recipients in a health care service region, the commission shall  
 1-42 contract with a managed care organization in that region that is  
 1-43 licensed under Chapter 843, Insurance Code, to provide health care  
 1-44 in that region and that is:

1-45 (1) wholly owned and operated by a hospital district  
 1-46 in that region;

1-47 (2) created by a nonprofit corporation that:

1-48 (A) has a contract, agreement, or other  
 1-49 arrangement with a hospital district in that region or with a  
 1-50 municipality in that region that owns a hospital licensed under  
 1-51 Chapter 241, Health and Safety Code, and has an obligation to  
 1-52 provide health care to indigent patients; and

1-53 (B) under the contract, agreement, or other  
 1-54 arrangement, assumes the obligation to provide health care to  
 1-55 indigent patients and leases, manages, or operates a hospital  
 1-56 facility owned by the hospital district or municipality; or

1-57 (3) created by a nonprofit corporation that has a  
 1-58 contract, agreement, or other arrangement with a hospital district  
 1-59 in that region under which the nonprofit corporation acts as an  
 1-60 agent of the district and assumes the district's obligation to  
 1-61 arrange for services under the Medicaid expansion for children as

2-1 authorized by Chapter 444, Acts of the 74th Legislature, Regular  
2-2 Session, 1995.

2-3 SECTION 3. If before implementing any provision of this Act  
2-4 a state agency determines that a waiver or authorization from a  
2-5 federal agency is necessary for implementation of that provision,  
2-6 the agency affected by the provision shall request the waiver or  
2-7 authorization and may delay implementing that provision until the  
2-8 waiver or authorization is granted.

2-9 SECTION 4. This Act takes effect September 1, 2021.

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