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H.B. No. 2401

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain contracting requirements under the Medicaid
3 managed care delivery model.

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

5 SECTION 1. Section 533.003(a), Government Code, is amended
6 to read as follows:

7 (a) In awarding contracts to managed care organizations,
8 the commission shall:

9 (1) give preference to organizations that have
10 significant participation in the organization's provider network
11 from each health care provider in the region who has traditionally
12 provided care to Medicaid and charity care patients;

13 (2) give extra consideration to organizations that
14 agree to assure continuity of care for at least three months beyond
15 the period of Medicaid eligibility for recipients;

16 (3) consider the need to use different managed care
17 plans to meet the needs of different populations;

18 (4) consider the ability of organizations to process
19 Medicaid claims electronically; ~~and~~

20 (5) in the initial implementation of managed care in
21 the South Texas service region, give extra consideration to an
22 organization that ~~either~~

23 ~~(A)~~ is locally owned, managed, and operated, if
24 one exists; and

1 (6) consider the potential benefit to the Medicaid
2 managed care program implemented under this chapter that may be
3 derived from awarding a contract to provide health care services to
4 recipients in a service delivery area to an organization that is
5 licensed under Chapter 843, Insurance Code, and is:

6 (A) wholly owned and operated by a hospital
7 district in the service delivery area; or

8 (B) created by a nonprofit organization that has
9 a contract, agreement, or other arrangement with a hospital
10 district in that service delivery area or with a municipality in
11 that service delivery area that owns a hospital licensed under
12 Chapter 241, Health and Safety Code, and has an obligation to
13 provide health care to indigent patients ~~[is in compliance with the~~
14 ~~requirements of Section 533.004].~~

15 SECTION 2. Section 533.004, Government Code, is repealed.

16 SECTION 3. (a) Except as provided by Subsection (b) of this
17 section, the changes in law made by this Act apply only after the
18 next operational start date of the Health and Human Services
19 Commission's STAR and STAR+PLUS procurements. A procurement before
20 the next operational start date for the Health and Human Services
21 Commission's STAR and STAR+PLUS procurements is governed by the law
22 in effect before the effective date of this Act and the former law
23 is continued in effect for that purpose.

24 (b) The changes in law made by this Act apply to any STAR
25 Kids procurement on or after the effective date of this Act.

26 SECTION 4. If before implementing any provision of this Act
27 a state agency determines that a waiver or authorization from a

1 federal agency is necessary for implementation of that provision,
2 the agency affected by the provision shall request the waiver or
3 authorization and may delay implementing that provision until the
4 waiver or authorization is granted.

5 SECTION 5. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2023.