

By: Perry

S.B. No. 2988

A BILL TO BE ENTITLED

AN ACT

relating to certification by the commission prior 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. Section 533.0035, Government Code, is amended by adding Subsections (a-1), (a-2), (b-1), and (d), and amending Subsection (c) to read as follows:

(a-1) The commission shall require a managed care organization to demonstrate:

(1) financial solvency commensurate with the projected enrollment and level of risk associated with the regions the organization intends to pursue;

(2) full accreditation by a national quality assurance organization selected by the executive commissioner;

(3) existing network capacity by region with a strategy to meet network adequacy for regions the organization intends to pursue;

(4) five full calendar years of experience providing similar services to similar populations;

(5) licensure by the Department of Insurance; and

(6) the ability to meet any other criteria adopted by commission rule.

(a-2) The commission shall conduct a separate certification process for each medical assistance program under this chapter.

1 (b-1) A managed care organization may not exceed the number
2 of members for which the organization demonstrated financial
3 solvency as described by Subsection (a-1). An organization may
4 exceed that number only upon satisfactory demonstration of solvency
5 commensurate with additional enrollment levels.

6 (c) A managed care organization may appeal a denial of
7 certification by the commission under this section through a
8 process prescribed by the executive commissioner by rule. In
9 adopting rules under this subsection, the executive commissioner
10 shall provide organizations with an opportunity to address the
11 specific requirements in Subsection (a-1).

12 (d) In implementing this section, the commission shall:

13 (1) establish a timeline for certification prior to a
14 solicitation to enter into a contract;

15 (2) develop and publish certification criteria;

16 (3) provide a managed care organization that meets the
17 requirements of this section with a written certification; and

18 (4) maintain a publicly accessible record of
19 certifications issued.

20 SECTION 2. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2025.