

AN ACT

relating to the requirements for uniform fair hearing rules for Medicaid services, including services that require prior authorization.

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

SECTION 1. Section 531.024, Government Code, is amended to read as follows:

Sec. 531.024. PLANNING AND DELIVERY OF HEALTH AND HUMAN SERVICES. (a) The executive commissioner shall:

(1) facilitate and enforce coordinated planning and delivery of health and human services, including:

(A) compliance with the coordinated strategic plan;

(B) co-location of services;

(C) integrated intake; and

(D) coordinated referral and case management;

(2) develop with the Department of Information Resources automation standards for computer systems to enable health and human services agencies, including agencies operating at a local level, to share pertinent data;

(3) establish and enforce uniform regional boundaries for all health and human services agencies;

(4) carry out statewide health and human services needs surveys and forecasting;

1           (5) perform independent special-outcome evaluations  
2 of health and human services programs and activities;

3           (6) at the request of a governmental entity identified  
4 under Section 531.022(e), assist that entity in implementing a  
5 coordinated plan that may include co-location of services,  
6 integrated intake, and coordinated referral and case management and  
7 is tailored to the needs and priorities of that entity; and

8           (7) promulgate uniform fair hearing rules for all  
9 Medicaid-funded services.

10          (b) The rules promulgated under Subsection (a)(7) must  
11 provide due process to an applicant for Medicaid services and to a  
12 Medicaid recipient who seeks a Medicaid service, including a  
13 service that requires prior authorization. The rules must provide  
14 the protections for applicants and recipients required by 42 C.F.R.  
15 Part 431, Subpart E, including requiring that:

16           (1) the written notice to an individual of the  
17 individual's right to a hearing must:

18                   (A) contain an explanation of the circumstances  
19 under which Medicaid is continued if a hearing is requested; and

20                   (B) be mailed at least 10 days before the date the  
21 individual's Medicaid eligibility or service is scheduled to be  
22 terminated, suspended, or reduced, except as provided by 42 C.F.R.  
23 Section 431.213 or 431.214; and

24           (2) if a hearing is requested before the date a  
25 Medicaid recipient's service, including a service that requires  
26 prior authorization, is scheduled to be terminated, suspended, or  
27 reduced, the agency may not take that proposed action before a

1 decision is rendered after the hearing unless:

2 (A) it is determined at the hearing that the sole  
3 issue is one of federal or state law or policy; and

4 (B) the agency promptly informs the recipient in  
5 writing that services are to be terminated, suspended, or reduced  
6 pending the hearing decision.

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

13 SECTION 3. This Act takes effect September 1, 2007.

H.B. No. 2256

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2256 was passed by the House on May 11, 2007, by the following vote: Yeas 136, Nays 1, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2256 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor