

## **BILL ANALYSIS**

C.S.H.B. 3231  
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Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The legislature first directed the Health and Human Services Commission (HHSC) to implement managed care as a pilot program in 1993. Texas began a transition to managed care that same year, moving some recipients of Medicaid services into managed care in pilot programs in Travis County and the tri-county area of Jefferson, Chambers, and Galveston Counties. Since then, Medicaid managed care has been expanded into six additional service areas: Bexar, Tarrant, Lubbock, Harris, Dallas, El Paso, and Nueces, bringing total enrollment to more than 2,500,000. In 1999, the 76th Legislature passed legislation directing HHSC to develop an expedited process to enroll newborns into a managed care plan and to ensure that newborn infants and their mothers received immediate access to prenatal services and newborn care. This legislation also directed HHSC to enroll newborn infants into the traditional fee-for-service model until either 60 days passed or the infant was determined eligible for Medicaid.

C.S.H.B. 3231 establishes the intent of the legislature in directing HHSC to enroll newborns in Medicaid managed care plans. The bill clarifies that in the enactment of H.B. 2896 and H.B. 2641 by the 76th Legislature, Regular Session, 1999, the legislature specifically intended and authorized HHSC to enroll newborns into managed care and validates the commission's actions in doing so. The bill removes a provision relating to the temporary assignment of newborn infants to the traditional fee-for-services component of Medicaid that might be construed to hold that newborns may not be enrolled in managed care.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3231 clarifies legislative intent regarding the enactment of H.B. 2896 (Chapter 1447, Acts of the 76th Legislature, Regular Session, 1999) and H.B. 2641 (Chapter 1460, Acts of 76th Legislature, Regular Session, 1999) which required the Health and Human Services Commission (HHSC) to develop and implement an expedited process for determining eligibility for and enrolling pregnant women and newborns in managed care plans, ensure immediate access to prenatal services and newborn care for pregnant women and newborns enrolled in managed care plans, and temporarily assign newborns to the traditional fee-for-services component of Medicaid for a period not to exceed 60 days or the date on which the newborn's eligibility determination is completed.

C.S.H.B. 3231 establishes that the legislature understood that HHSC had enrolled newborn infants in Medicaid managed care plans and intended that HHSC would continue to enroll newborn infants in these plans and expedite the enrollment of newborns whose Medicaid eligibility is known at the time of birth to ensure access to care and to avoid delays in payment for services. The bill clarifies that the temporary assignment of newborns to the traditional fee-for-services component of Medicaid was not intended to prohibit enrollment of newborn infants

in a Medicaid managed care plan, but rather that it was intended to ensure that a newborn whose Medicaid eligibility was not known or not determined at birth would receive medically necessary care after birth but before completion of the Medicaid eligibility determination process and that providers who perform such care receive reimbursement for such services.

C.S.H.B. 3231 amends the Government Code to remove a provision relating to the temporary assignment of newborns to the traditional fee-for-services component of Medicaid and specifies legislative findings that the purposes of the provision have been fulfilled and its requirements are no longer necessary to ensure appropriate payment of providers of services to newborns.

C.S.H.B. 3231 validates an act or decision made by HHSC before the effective date of the bill regarding the enrollment of a newborn in a managed care organization. The bill exempts from application of the validation provision an act or decision that was void at the time it occurred, an act or decision that violates the terms of federal law or a federal waiver, or an act or decision that, under a statute of the state or the United States, was a misdemeanor or felony at the time the act or decision occurred.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 3231 differs from the original by making technical corrections and nonsubstantive changes to the language establishing legislative intent and a savings provision validating certain acts or decisions made by HHSC, and by using a clarifying amendment to remove the provision relating to the temporary assignment of newborns to the traditional fee-for-services component of Medicaid by deletion of the provision, rather than repealing it, as in the original.