

Amend Amendment No. 88 to CSSB 1 by Zerwas (prefiled amendment packet, page 255) by adding the following to the amendment:

Amend CSSB 1 (house committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE \_\_\_\_\_. CONSIDERATIONS IN AWARDING MEDICAID MANAGED CARE  
CONTRACTS

SECTION \_\_\_\_\_.01. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0696 to read as follows:

Sec. 531.0696. CONSIDERATIONS IN AWARDING CERTAIN CONTRACTS. The commission may not contract with a managed care organization, including a health maintenance organization, or a pharmacy benefit manager if, in the preceding three years, the organization or pharmacy benefit manager, in connection with a bid, proposal, or contract with a governmental entity:

(1) made a material misrepresentation or committed fraud;

(2) was convicted of violating a state or federal law;  
or

(3) was assessed a penalty or fine in the amount of \$500,000 or more in a state or federal administrative proceeding.

SECTION \_\_\_\_\_.02. If before implementing any provision of this article a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.