

Amend **CSSB 23** (house committee printing) in SECTION 3(c) of the bill by striking amended Section 533.003, Government Code (page 10, lines 4 through 25), and substituting the following:

Sec. 533.003. CONSIDERATIONS IN AWARDING CONTRACTS. (a)
In awarding contracts to managed care organizations, the commission shall:

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

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

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

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

(5) give extra consideration in each health care service region to an organization, if one exists, that:

(A) is locally owned, managed, and operated; and

(B) notwithstanding Section 533.004 or any other law, is not owned or operated by and does not have a contract, agreement, or other arrangement with a hospital district in the region.

(b) For purposes of this section, a managed care organization is considered to be locally owned if the organization is formed under the laws of this state and is headquartered, operates, and has the majority of the organization's staff residing in the health care service region where the organization provides health care services.