

BILL ANALYSIS

S.B. 1150
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Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that, while the Medicaid managed care program in Texas has brought some cost certainty to Medicaid health care providers, additional protections are needed to enhance provider engagement in the program. The parties contend that providers need a protection plan to eliminate red tape, provide for timely credentialing, and assure prompt payment and reimbursement. S.B. 1150 seeks to address this need by amending current law relating to a provider protection plan that ensures efficiency and reduces administrative burdens on providers participating in a Medicaid managed care model or arrangement.

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

S.B. 1150 amends the Government Code to require the Health and Human Services Commission (HHSC) to develop and implement a provider protection plan that is designed to reduce administrative burdens placed on providers participating in a Medicaid managed care model or arrangement implemented under the Medicaid managed care program and to ensure efficiency in provider enrollment and reimbursement. The bill requires HHSC to incorporate the measures identified in the plan, to the greatest extent possible, into each contract between a managed care organization and HHSC for the provision of health care services to recipients.

S.B. 1150 requires the provider protection plan to provide for the following:

- prompt payment and proper reimbursement of providers by managed care organizations;
- prompt and accurate adjudication of claims through provider education on the proper submission of clean claims and on appeals, acceptance of uniform forms, including HCFA Forms 1500 and UB-92 and subsequent versions of those forms, through an electronic portal, and the establishment of standards for claims payments in accordance with a provider's contract;
- adequate and clearly defined provider network standards that are specific to provider type, including physicians, general acute care facilities, and other provider types defined in HHSC's network adequacy standards in effect on January 1, 2013, and that ensure choice among multiple providers to the greatest extent possible;
- a prompt credentialing process for providers;
- uniform efficiency standards and requirements for managed care organizations for the submission and tracking of preauthorization requests for services provided under the Medicaid program;
- establishment of an electronic process, including the use of an Internet portal, through which providers in any managed care organization's provider network may submit

electronic claims, prior authorization requests, claims appeals and reconsiderations, clinical data, and other documentation that the managed care organization requests for prior authorization and claims processing and may obtain electronic remittance advice, explanation of benefits statements, and other standardized reports;

- the measurement of the rates of retention by managed care organizations of significant traditional providers;
- the creation of a work group to review and make recommendations to HHSC concerning any requirement under the bill's provisions for which immediate implementation is not feasible at the time the plan is otherwise implemented, including the required process for submission and acceptance of attachments for claims processing and prior authorization requests through the electronic process and, for any requirement that is not implemented immediately, recommendations regarding the expected fiscal impact of implementing the requirement and timeline for implementation of the requirement; and
- any other provision that HHSC determines will ensure efficiency or reduce administrative burdens on providers participating in a Medicaid managed care model or arrangement.

S.B. 1150 requires HHSC to implement the provider protection plan as soon as possible, but not later than September 1, 2014.

EFFECTIVE DATE

September 1, 2013.