

By: Zerwas

H.B. No. 3158

A BILL TO BE ENTITLED

AN ACT

relating to certain contracts for Medicaid managed care.

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

SECTION 1.01. Subchapter B, Chapter 32, Human Resources Code is amended by adding Sec. 32.0491, and 32.492, to read as follows:

Sec. 32.491. PILOT PROJECTS TO ENCOURAGE MANAGED CARE CONTRACTING WITH HEALTH CARE COLLABORATIVES. (a) In this section, "health care collaboratives" has the meaning assigned by Section 848.001, Insurance Code.

(b) In this section, a "delegation agreement" means a contract that complies with Chapter 1272, Insurance Code.

(c) The department shall develop and implement a managed care contracting pilot program that is consistent with federal law to:

(1) promote efficient utilization of Medicaid services by recipients; and

(2) demonstrate the ability of provider-owned managed care organizations to improve patient outcomes and contain costs for providing medical assistance to recipients within their service delivery area.

(d) The department may develop and implement pilot programs in accordance with this subchapter to test one or more service delivery models that provide medical assistance for acute care

1 through a health maintenance organization that executes a
2 delegation agreement with a health care collaborative under Chapter
3 848, Insurance Code. The Commissioner may contract with such a
4 health maintenance organization to implement the pilot Medicaid
5 managed care program under this chapter, provided, however, that:

6 (1) the delegation agreement between the health care
7 collaborative and the health maintenance organization complies
8 with state and federal law; and

9 (2) at least one of the pilot programs established
10 under this subchapter is conducted with a provider-managed health
11 maintenance organization that is owned by a not-for-profit
12 pediatric facility.

13 Sec. 32.492. IMPLEMENTATION, LOCATION AND DURATION.

14 (a) The department shall implement the pilot programs established
15 under this subchapter not later than September 1, 2015.

16 (b) A pilot program established under this subchapter shall
17 be conducted in a service delivery area that has over 400,000
18 combined STAR and CHIP eligibles; maintains three or less managed
19 care organizations in that service delivery area; and has at least
20 one existing managed care organization with over 40 percent market
21 share in either STAR or CHIP programs.

22 (c) A pilot program established under this subchapter must
23 operate for not less than 36 months and may be extended as the
24 commissioner deems appropriate.

25 (d) If at the conclusion of the period specified by
26 subsection (c) the department evaluates the strengths and
27 weaknesses of each implemented pilot program and determines the

1 feasibility of expanding the pilot program statewide, the
2 department may adopt improved policies and procedures with
3 statewide applicability, as determined from the information
4 obtained in operating the pilot program, to ensure effective
5 provision of medical assistance to recipients statewide.

6 SECTION 2. Chapter 316, Health and Safety Code, is amended
7 as follows:

8 SECTION 2.01. Section 316.001, Health and Safety Code, is
9 amended to read as follows:

10 316.001. AUTHORITY TO ESTABLISH HEALTH CARE COLLABORATIVE.
11 A public hospital created under Subtitle C or D, a facility that is
12 owned or operated by a public or not-for-profit hospital and that
13 includes academic health center, or a hospital district created
14 under general or special law may form and sponsor a nonprofit health
15 care collaborative that is certified under Chapter 848, Insurance
16 Code, or otherwise exempt from certification under Section 848.002,
17 Insurance Code.

18 SECTION 3. This Act takes effect September 1, 2013.