

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 21, 2013

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1150 by Hinojosa (Relating to a provider protection plan that ensures efficiency and reduces administrative burdens on providers participating in a Medicaid managed care model or arrangement.), **As Passed 2nd House**

There could be significant costs related to implementing the provisions of the bill, but because needed system modifications at managed care organizations are unknown, the fiscal impact to the state cannot be determined.

The bill would require the Health and Human Services Commission (HHSC) to develop and implement a provider protection plan to reduce administrative burdens placed on providers participating in a Medicaid managed care plan and ensure efficiency in provider enrollment and reimbursement. The bill requires HHSC to incorporate the plan into each contract between a managed care organization and HHSC. HHSC would be required to implement the provider protection plan as soon as possible, but not later than September 1, 2014. The bill allows HHSC to seek federal approval if necessary to implement the bill and delay implementation until approval is granted. The bill would be effective September 1, 2013.

According to the Health and Human Services Commission (HHSC), the cost to implement most provisions in the bill would be minimal and could be absorbed within available resources. HHSC indicates current contracts require MCOs to offer providers the option of submitting and receiving claims information through an electronic data exchange. However, contracts would need to be amended to include the requirement that the data portal accept all necessary attachments and to accept corrected or additional documentation. Certain MCOs may need to modify systems, which could impact the administrative rate HHSC pays to those plans. There could be significant costs related to implementing the provisions of the bill related to electronic submission and obtaining information electronically, but because needed system modifications at MCOs are unknown, the fiscal impact to the state cannot be determined.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, LR, MB, VJC, NB, ES