

By: Collier

H.B. No. 1041

A BILL TO BE ENTITLED

AN ACT

relating to administrative and judicial review of certain Medicaid reimbursement disputes.

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

SECTION 1. Subchapter B, Chapter 531, Government Code, is amended by adding Subsection 531.02116 to read as follows:

Sec. 531.02116. ADMINISTRATIVE AND JUDICIAL REVIEW OF REIMBURSEMENT DISPUTES UNDER MEDICAID PROGRAM. (a) A provider has the right to a contested case hearing to dispute the amount of a reimbursement rate paid to the provider under the fee-for-service Medicaid program or by a managed care organization under the managed care Medicaid program if the provider maintains that the rate is below the rate necessary to recover the provider's reasonable operating expenses and to realize a reasonable return on the provider's investments that is sufficient to ensure confidence in the provider's continued financial integrity.

(b) A contested case hearing under this section must be conducted by a hearing officer in the manner provided for contested case hearings under Subchapter C, Chapter 2001.

(c) Parties to a contested case hearing under this section must include:

- (1) the commission; and
- (2) in a dispute involving a payment made by a managed care organization, the managed care organization.

1        (d) Exhaustion of contractual remedies with a managed care  
2 organization or its agent is not a prerequisite to a contested case  
3 hearing under this section.

4        (e) In the absence of a timely appeal for judicial review  
5 under Subsection (f), the decision of a hearing officer under this  
6 section is final.

7        (f) Judicial review of a decision or order of a hearing  
8 officer is governed by Subchapter G, Chapter 2001, except that the  
9 party seeking judicial review must file suit not later than the 45th  
10 day after the date notice of the decision made by the hearing  
11 officer was mailed.

12        SECTION 2. The change in law made by this Act applies only  
13 to a reimbursement paid to a Medicaid provider on or after the  
14 effective date of this Act.

15        SECTION 3. If before implementing any provision of this Act  
16 a state agency determines that a waiver or authorization from a  
17 federal agency is necessary for implementation of that provision,  
18 the agency affected by the provision shall request the waiver or  
19 authorization and may delay implementing that provision until the  
20 waiver or authorization is granted.

21        SECTION 4. This Act takes effect immediately if it receives  
22 a vote of two-thirds of all the members elected to each house, as  
23 provided by Section 39, Article III, Texas Constitution. If this  
24 Act does not receive the vote necessary for immediate effect, this  
25 Act takes effect September 1, 2015.