

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 25, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2084 by Muñoz, Jr. (Relating to transparency in the rate-setting processes for the Medicaid managed care and child health plan programs.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would, among other provisions, implement recommendations in the report "Improve Transparency in STAR Managed Care Payment Rate Setting" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-fourth Texas Legislature, 2015.

The bill would amend the Government Code to require that the Health and Human Services Commission (HHSC) ensure transparency of managed care rate setting in Medicaid managed care programs and the Children's Health Insurance Program (CHIP) by providing additional information in actuarial reports. The bill specifies that the reports should identify and describe methodologies, data sources, assumptions, multipliers, and factors. The methodologies should describe how the executive commissioner set the rates as well as how the executive commissioner determined that the rates are actuarially sound. In addition, the bill would require that the reports be published in a format that allows the reader to trace data and formulas throughout. HHSC indicates that increased actuarial costs would be absorbed within existing resources.

The bill would take effect September 1, 2015.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KFa, NB, JJ, LR