

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 6, 2015

TO: Honorable Myra Crownover, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3464** by Muñoz, Jr. (Relating to the processing and payment of claims for reimbursement by providers under Medicaid.), **Committee Report 1st House, Substituted**

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

The bill would amend Chapter 533 of the Government Code to amend and add to required contract provisions between the Health and Human Services Commission (HHSC) and managed care organizations that a managed care organization make a payment to certain health care providers no later than, on average, the 15th day after the receipt of a claim for payment and that a managed care organization allow a physician or provider to electronically submit documentation necessary to process a claim, including additional or amended documentation. These new requirements would also apply to pharmacy benefit managers.

Certain managed care organizations and pharmacy benefit managers may need to modify systems to accommodate the reduced time frame for processing claims, which could impact the administrative rate HHSC pays to those plans. There could be significant costs related to implementing the provisions of the bill, but because needed system modifications at managed care organizations and pharmacy benefit managers 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, NB, WP, LR, CH, CL, MB