

SENATE AMENDMENTS

2nd Printing

By: Muñoz, Jr., Dukes, Guillen

H.B. No. 2084

A BILL TO BE ENTITLED

AN ACT

relating to transparency in the rate-setting processes for the Medicaid managed care and child health plan programs.

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

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.01314 to read as follows:

Sec. 533.01314. TRANSPARENCY OF PREMIUM PAYMENT RATE-SETTING PROCESS FOR MEDICAID MANAGED CARE PROGRAM. The commission shall ensure the transparency of the premium payment rate-setting process for the Medicaid managed care program by publishing actuarial reports:

(1) in a format that allows for tracing data and formulas across attachments, exhibits, and examples; and

(2) that clearly identify and describe:

(A) the methodology by which the executive commissioner set the payment rates;

(B) the data sources used;

(C) the components of the process that are assumptions and how the assumptions are developed;

(D) multipliers and factors used throughout the reports, including the source and purpose of the multipliers and factors; and

(E) the methodology by which the executive commissioner determined that the rates are actuarially sound for

1 the populations covered and the services provided.

2 SECTION 2. Subchapter B, Chapter 62, Health and Safety
3 Code, is amended by adding Section 62.061 to read as follows:

4 Sec. 62.061. TRANSPARENCY OF PREMIUM PAYMENT RATE-SETTING
5 PROCESS. The commission shall ensure the transparency of the
6 premium payment rate-setting process for the child health plan
7 program by publishing actuarial reports:

8 (1) in a format that allows for tracing data and
9 formulas across attachments, exhibits, and examples; and

10 (2) that clearly identify and describe:

11 (A) the methodology by which the executive
12 commissioner set the payment rates;

13 (B) the data sources used;

14 (C) the components of the process that are
15 assumptions and how the assumptions are developed;

16 (D) multipliers and factors used throughout the
17 reports, including the source and purpose of the multipliers and
18 factors; and

19 (E) the methodology by which the executive
20 commissioner determined that the rates are actuarially sound for
21 the populations covered and the services provided.

22 SECTION 3. If before implementing any provision of this Act
23 a state agency determines that a waiver or authorization from a
24 federal agency is necessary for implementation of that provision,
25 the agency affected by the provision shall request the waiver or
26 authorization and may delay implementing that provision until the
27 waiver or authorization is granted.

1 SECTION 4. This Act takes effect September 1, 2015.

ADOPTED

MAY 22 2015

Patry Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *C. Schwab*

1 Amend H.B. No. 2084 (senate committee printing) as follows:

2 (1) In SECTION 1 of the bill, in added Section 533.01314,
3 Government Code (page 1, line 26), between the underlined period
4 and "The", insert "(a)".

5 (2) In SECTION 1 of the bill, immediately following added
6 Section 533.01314, Government Code (page 1, between lines 43 and
7 44), insert the following:

8 (b) Notwithstanding Subsection (a), the commission is not
9 required to publish particular information in an actuarial report
10 if the commission determines the information is proprietary.

11 (3) In SECTION 2 of the bill, in added Section 62.061,
12 Health and Safety Code (page 1, line 47), between the underlined
13 period and "The", insert "(a)".

14 (4) In SECTION 2 of the bill, immediately following added
15 Section 62.061, Health and Safety Code (page 2, between lines 2 and
16 3), insert the following:

17 (b) Notwithstanding Subsection (a), the commission is not
18 required to publish particular information in an actuarial report
19 if the commission determines the information is proprietary.

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**

No significant fiscal implication to the State is anticipated.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 14, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

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 Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

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.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 29, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2084 by Muñoz, Jr. (Relating to transparency in the STAR Medicaid managed care rate-setting process.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>

The bill would 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 the State of Texas Access Reform (STAR) Medicaid program by providing additional information in actuarial reports. The bill specifies that the reports should identify and describe methodologies, data sources, assumptions, multipliers, and factors. 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, NB, JJ, KFa, LR