

By: Muñoz, Jr.

H.B. No. 1524

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

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

7 Sec. 62.061. TRANSPARENCY OF PREMIUM PAYMENT RATE-SETTING
8 PROCESS. (a) The commission shall ensure the transparency of the
9 premium payment rate-setting process for the child health plan
10 program by publishing actuarial reports:

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

13 (2) that clearly identify and describe:

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

16 (B) the data sources used;

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

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

22 (E) the methodology by which the executive
23 commissioner determined that the rates are actuarially sound for
24 the populations covered and the services provided.

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

1 SECTION 3. If before implementing any provision of this Act
2 a state agency determines that a waiver or authorization from a
3 federal agency is necessary for implementation of that provision,
4 the agency affected by the provision shall request the waiver or
5 authorization and may delay implementing that provision until the
6 waiver or authorization is granted.

7 SECTION 4. This Act takes effect September 1, 2017.