

By: Muñoz, Jr.

H.B. No. 2626

A BILL TO BE ENTITLED

AN ACT

relating to administrative and other expenditures by Medicaid managed care organizations.

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

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.021 to read as follows:

Sec. 533.021. ADMINISTRATIVE AND OTHER EXPENDITURES. (a) The legislature, after consulting with the commission, may set in the General Appropriations Act an upper limit on the percentage or amount of Medicaid capitated or other premium payments that a managed care organization offering a Medicaid managed care plan may spend on administrative, overhead, and marketing costs in each year of the state fiscal biennium.

(b) Not later than December 1 of each year, a managed care organization offering a Medicaid managed care plan shall report to the legislature and the commission the percentage of the managed care organization's budget that the managed care organization spent during the preceding state fiscal year on:

(1) administrative, overhead, and marketing costs;
and

(2) reimbursement for clinical services provided to enrollees, activities that improve health care quality for those enrollees, and all other activities related to those enrollees.

SECTION 2. If before implementing any provision of this Act

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

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2017.