

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable Four Price, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1398** by Muñoz, Jr. (Relating to the processing and payment of claims for reimbursement by certain providers under the Medicaid program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend and add to required contract provisions between the Health and Human Services Commission (HHSC) and managed care organizations (MCOs). MCOs would be required to make a payment to certain health care providers no later than, on average, the 15th day after the receipt of claim for payment. Additionally, MCOs would be required to 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 (PBMs). The bill would require HHSC or HHSC's designee to make a payment for nonemergency ambulance service claims not later than 15 days after the receipt of claim for payment. The executive commissioner of HHSC would be required to adopt any rules necessary to implement the provisions of the bill by October 1, 2017.

According to HHSC, most MCOs already have a portal available for providers to submit claims and documentation electronically. HHSC assumes that PBMs could accept provider claims documentation received via email, fax, or uploaded onto their website. However, if PBMs were required to implement a website portal, similar to the MCO provider portals, costly system changes would be necessary. According to HHSC, MCOs and PBMs are likely already paying claims within the bill's proposed timeline. Any costs associated with implementing the provisions of the bill can be absorbed within existing agency resources.

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, KCA, LR, RGU, TBo