Amend CSHB 3721 (house committee printing) as follows:

- (1) On page 1, line 16, strike "<u>Subsection</u>" and substitute "Subsection (b-1) or".
- (2) On page 1, line 20, between "when" and the underlined comma, insert ", subject to Subsection (b-1)".
- (3) On page 1, between lines 23 and 24, insert the following:
- (b-1) With regard to a recipient dispute related to a reduction in or denial of services on the basis of medical necessity, the commission shall ensure that an independent review conducted by an independent review organization under this section occurs after the managed care organization has conducted an internal appeal and before the Medicaid fair hearing is granted. A recipient, or the recipient's parent or legally authorized representative, described by this subsection may opt out of being subject to an independent review determination under this section and instead opt to proceed directly to a Medicaid fair hearing.