

## **BILL ANALYSIS**

S.B. 1177  
By: Menéndez  
Human Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been noted that there are substantial gaps in the availability of intensive home-based and community-based mental health services for children and youth with the most serious mental health challenges served by the state's Medicaid program despite the positive outcomes realized from these services and their cost-effectiveness, especially when compared to inpatient hospitalization or residential care. There have been calls for the state to do more to close those gaps and make these evidence-based services available under the Medicaid managed care program. S.B. 1177 seeks to revise the required contents of Medicaid managed care contracts to give managed care organizations the flexibility to offer medically appropriate, cost-effective, evidence-based services.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 1177 amends the Government Code to require a Medicaid managed care contract to contain language permitting a managed care organization (MCO) to offer medically appropriate, cost-effective, evidence-based services from a list approved by the state Medicaid managed care advisory committee and included in the contract in lieu of mental health or substance use disorder services specified in the state Medicaid plan. A Medicaid recipient is expressly not required to use a service from the list included in the contract in lieu of another such mental health or substance use disorder service. The bill requires the Health and Human Services Commission to do the following:

- prepare and submit an annual report to the legislature on the number of times during the preceding year a service from the list included in the contract is used; and
- take into consideration the actual cost and use of any services from the list included in the contract that are offered by an MCO when setting the capitation rates for that MCO under the contract.

### **EFFECTIVE DATE**

September 1, 2019.