

By: Muñoz, Jr.

H.B. No. 2353

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 533.036 to read as follows:

Sec. 533.036. 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 for the preceding state fiscal year:

(1) the total amount of premium payments and other state money received by the managed care organization, including a list of the amount and date of each premium payment and the amount, date, and source of each receipt of state money; and

(2) the amount and percentage of premium payments and other state money that the managed care organization:

(A) spent on administrative, overhead, and

1 marketing costs;

2 (B) spent on clinical or pharmaceutical
3 reimbursement for medical and pharmaceutical services provided to
4 enrollees;

5 (C) paid to subcontractors, including a list of
6 the identity of and the amount paid to each subcontractor; and

7 (D) retained as profit.

8 (c) If a managed care organization contracts with a
9 subcontractor, the report must include a list of the amount of each
10 payment the subcontractor paid directly to a health care provider,
11 categorized by provider type.

12 (d) A managed care organization shall report the
13 information required by this section in an aggregate form that may
14 be organized by premium payments and other state money, service
15 delivery area, and provider type.

16 (e) A managed care organization may include in the report
17 the amount and percentage of premium payments and other state money
18 that the managed care organization spent on activities that improve
19 health care quality for enrollees and all other activities for
20 those enrollees but may not include that amount and percentage in
21 the amount and percentage reported under Subsection (b)(2)(B).

22 SECTION 2. If before implementing any provision of this Act
23 a state agency determines that a waiver or authorization from a
24 federal agency is necessary for implementation of that provision,
25 the agency affected by the provision shall request the waiver or
26 authorization and may delay implementing that provision until the
27 waiver or authorization is granted.

1 SECTION 3. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2019.