

By: Krause

H.B. No. 2539

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to improving the provision of Medicaid benefits to certain  
3 children, including children receiving benefits under the STAR Kids  
4 managed care program.

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

6 SECTION 1. Section 531.0213(d), Government Code, is amended  
7 to read as follows:

8 (d) As a part of the support and information services  
9 required by this section, the commission shall:

10 (1) operate a statewide toll-free assistance  
11 telephone number that includes relay services for persons with  
12 speech or hearing disabilities and assistance for persons who speak  
13 Spanish;

14 (2) intervene promptly with the state Medicaid office,  
15 managed care organizations and providers, and any other appropriate  
16 entity on behalf of a person who has an urgent need for medical  
17 services;

18 (3) assist a person who is experiencing barriers in  
19 the Medicaid application and enrollment process and refer the  
20 person for further assistance if appropriate;

21 (4) educate persons so that they:

22 (A) understand the concept of managed care;

23 (B) understand their rights under Medicaid,  
24 including grievance and appeal procedures; and

1 (C) are able to advocate for themselves;

2 (5) collect and maintain statistical information on a  
3 regional basis regarding calls received by the assistance lines and  
4 publish quarterly reports that:

5 (A) list the number of calls received by region;

6 (B) identify trends in delivery and access  
7 problems;

8 (C) identify recurring barriers in the Medicaid  
9 system; and

10 (D) indicate other problems identified with  
11 Medicaid managed care;

12 (6) assist the state Medicaid office and managed care  
13 organizations and providers in identifying and correcting  
14 problems, including site visits to affected regions if necessary;

15 (7) meet the needs of all current and future Medicaid  
16 managed care recipients, including children receiving dental  
17 benefits and other recipients receiving benefits, under the:

18 (A) STAR Medicaid managed care program;

19 (B) STAR+PLUS [~~STAR + PLUS~~] Medicaid managed care  
20 program, including the Texas Dual Eligibles Integrated Care  
21 Demonstration Project provided under that program;

22 (C) STAR Kids managed care program established  
23 under Section 533.071 [~~533.00253~~]; and

24 (D) STAR Health program;

25 (8) incorporate support services for children  
26 enrolled in the child health plan established under Chapter 62,  
27 Health and Safety Code; and

1           (9) ensure that staff providing support and  
2 information services receives sufficient training, including  
3 training in the Medicare program for the purpose of assisting  
4 recipients who are dually eligible for Medicare and Medicaid, and  
5 has sufficient authority to resolve barriers experienced by  
6 recipients to health care and long-term services and supports.

7           SECTION 2. Subchapter B, Chapter 531, Government Code, is  
8 amended by adding Sections 531.02132, 531.0601, and 531.0602 to  
9 read as follows:

10           Sec. 531.02132. EDUCATION PROGRAM FOR MEDICALLY DEPENDENT  
11 CHILDREN (MDCP) WAIVER PROGRAM. The commission shall develop an  
12 education program for the families of and care coordinators for  
13 children eligible for or receiving benefits under the medically  
14 dependent children (MDCP) waiver program that:

15           (1) educates the families and care coordinators about:

16                   (A) the option to receive benefits under a  
17 traditional fee-for-service model under Section 32.042421, Human  
18 Resources Code, or through the STAR Kids managed care program under  
19 Section 533.071; and

20                   (B) the evaluation and assessment process for  
21 determining eligibility for and receiving benefits under the  
22 medically dependent children (MDCP) waiver program; and

23           (2) provides information to families on the appeals  
24 process, including how to prepare for an appeal.

25           Sec. 531.0601. LONG-TERM CARE SERVICES WAIVER PROGRAM  
26 INTEREST LISTS. (a) This section applies only to a child who  
27 becomes ineligible for services under the medically dependent

1 children (MDCP) waiver program because the child no longer meets:

2 (1) the level of care criteria for medical necessity  
3 for nursing facility care; or

4 (2) the age requirement for the program.

5 (b) A parent or guardian of a child who is notified by the  
6 commission that the child is no longer eligible for the medically  
7 dependent children (MDCP) waiver program may request that the  
8 commission:

9 (1) return the child to the interest list for the  
10 program unless the child is ineligible due to the child's age; or

11 (2) place the child on the interest list for another  
12 Section 1915(c) waiver program.

13 (c) At the time a child's parent or guardian makes a request  
14 under Subsection (b), the commission shall:

15 (1) for a child who becomes ineligible for the reason  
16 described by Subsection (a)(1), place the child:

17 (A) on the interest list for the medically  
18 dependent children (MDCP) waiver program in the first position on  
19 the list; or

20 (B) except as provided by Subdivision (3), on the  
21 interest list for another Section 1915(c) waiver program in a  
22 position relative to other persons on the list that is based on the  
23 date the child was initially placed on the interest list for the  
24 medically dependent children (MDCP) waiver program;

25 (2) except as provided by Subdivision (3) and subject  
26 to Section 533.071(e) and Section 32.042421(b), Human Resources  
27 Code, for a child who becomes ineligible for the reason described by

1 Subsection (a)(2), place the child on the interest list for another  
2 Section 1915(c) waiver program in a position relative to other  
3 persons on the list that is based on the date the child was  
4 initially placed on the interest list for the medically dependent  
5 children (MDCP) waiver program; or

6 (3) for a child who becomes ineligible for a reason  
7 described by Subsection (a) and who is already on an interest list  
8 for another Section 1915(c) waiver program, move the child to a  
9 position on the interest list relative to other persons on the list  
10 that is based on the date the child was initially placed on the  
11 interest list for the medically dependent children (MDCP) waiver  
12 program, if that date is earlier than the date the child was  
13 initially placed on the interest list for the other waiver program.

14 (d) At the time the commission provides notice to a parent  
15 or guardian that a child is no longer eligible for the medically  
16 dependent children (MDCP) waiver program, the commission shall  
17 inform the parent or guardian in writing about the options under  
18 this section for placing the child on an interest list.

19 Sec. 531.0602. MEDICALLY DEPENDENT CHILDREN (MDCP) WAIVER  
20 PROGRAM REASSESSMENTS. To the extent allowed by federal law, the  
21 commission shall require that a child participating in the  
22 medically dependent children (MDCP) waiver program be reassessed to  
23 determine whether the child meets the level of care criteria for  
24 medical necessity for nursing facility care only if the child has a  
25 significant change in function that may affect the medical  
26 necessity for that level of care instead of requiring that the  
27 reassessment be made annually.

1 SECTION 3. Section 533.0025(b), Government Code, is amended  
2 to read as follows:

3 (b) Except as otherwise provided by this section and Section  
4 32.042421, Human Resources Code, and notwithstanding any other law,  
5 the commission shall provide Medicaid acute care services through  
6 the most cost-effective model of Medicaid capitated managed care as  
7 determined by the commission. The commission shall require  
8 mandatory participation in a Medicaid capitated managed care  
9 program for all persons eligible for Medicaid acute care benefits,  
10 but may implement alternative models or arrangements, including a  
11 traditional fee-for-service arrangement, if the commission  
12 determines the alternative would be more cost-effective or  
13 efficient.

14 SECTION 4. Section 533.0063(c), Government Code, is amended  
15 to read as follows:

16 (c) A managed care organization participating in the  
17 STAR+PLUS [~~STAR + PLUS~~] Medicaid managed care program or STAR Kids  
18 [~~Medicaid~~] managed care program established under Section 533.071  
19 [~~533.00253~~] shall, for a recipient in that program, issue a  
20 provider network directory for the program in paper form unless the  
21 recipient opts out of receiving the directory in paper form.

22 SECTION 5. Chapter 533, Government Code, is amended by  
23 adding Subchapter C to read as follows:

24 SUBCHAPTER C. STAR KIDS MANAGED CARE PROGRAM

25 Sec. 533.072. MEDICALLY DEPENDENT CHILD OPT-IN

26 ALTERNATIVE. (a) The commission shall provide a process by which  
27 the parent or guardian of a child receiving benefits under the

1 medically dependent children (MDCP) waiver program may opt the  
2 medically dependent child out of receiving benefits through the  
3 traditional fee-for-service delivery model under Section  
4 32.042421, Human Resources Code, and into receiving benefits  
5 through the STAR Kids managed care program operated under Section  
6 533.071. The commission shall ensure that any transition in the  
7 delivery of benefits to a child under this section is completed in a  
8 manner that protects continuity of care.

9 (b) Notwithstanding any other law, the commission shall  
10 ensure that:

11 (1) the parent or guardian of a child who opts the  
12 child into receiving benefits through the STAR Kids managed care  
13 program under this section is allowed to choose the managed care  
14 plan offered under the STAR Kids managed care program into which the  
15 child is enrolled, regardless of the health care service region in  
16 which the child resides; and

17 (2) a child receiving benefits through the STAR Kids  
18 managed care program under this section is not required to obtain  
19 prior authorization or a referral for the provision of specialty  
20 care.

21 Sec. 533.073. MANAGED CARE ORGANIZATION STANDARDIZED  
22 POLICIES AND PROCEDURES. Notwithstanding any other law, including  
23 Section 533.005, the commission shall adopt standardized policies  
24 and procedures applicable to each managed care organization that  
25 contracts with the commission to provide health care services to  
26 recipients under the STAR Kids managed care program to ensure the  
27 provision of benefits is substantially similar across all of those

1 managed care organizations. The commission shall adopt policies  
2 and procedures under this section that require managed care  
3 organizations, under the terms of the organizations' contracts, to  
4 implement and adhere to:

5 (1) a standard prior authorization protocol,  
6 including minimum time frames for approving prior authorization  
7 requests;

8 (2) standardized claims payment and appeal processes;

9 (3) a standard approval process for the provision of  
10 nonemergency transportation services;

11 (4) similar requirements for accessing therapy  
12 services;

13 (5) a pharmacy benefit plan that complies strictly  
14 with Sections 533.005(a)(23)(A), (B), and (C) and does not impose  
15 additional requirements or restrictions on its enrolled  
16 recipients; and

17 (6) a robust online recipient and provider portal that  
18 is designed to support transparency, accountability, and the  
19 coordination of services by providing the recipients and providers,  
20 as appropriate, access to evaluations and assessments, including  
21 any screening and assessment instruments, individual service  
22 plans, prior authorization requests, explanations of benefits, and  
23 referrals.

24 Sec. 533.074. STANDARDS FOR DETERMINING MEDICAL NECESSITY.

25 The commission shall establish standards that govern the processes,  
26 criteria, and guidelines under which managed care organizations  
27 determine the medical necessity of a health care service provided



1 through the STAR Kids managed care program. In establishing  
2 standards under this section, the commission shall ensure that the  
3 treating provider or other neutral third party makes the  
4 determination of medical necessity rather than a care coordinator  
5 or other professional employed by the managed care organization.

6 Sec. 533.075. PROVIDER NETWORK REQUIREMENTS.

7 Notwithstanding any other law, the commission shall require a  
8 managed care organization that contracts with the commission to  
9 provide health care services to recipients under the STAR Kids  
10 managed care program to:

11 (1) include significant traditional providers in the  
12 organization's provider network for the duration of the  
13 organization's contract with the commission; and

14 (2) include at least two providers of a particular  
15 health care service in order to satisfy network adequacy  
16 requirements.

17 Sec. 533.076. PROVIDER MONITORING PROGRAM. (a)

18 Notwithstanding Section 533.005(a)(22), the commission, in  
19 consultation with the STAR Kids Managed Care Advisory Committee  
20 established under Section 533.00254 or a successor committee, the  
21 advisory committee established under Section 534.183, and other  
22 organizations with relevant expertise the commission determines  
23 appropriate, shall ensure a contract between the commission and a  
24 managed care organization to provide health care services to  
25 children receiving benefits under the medically dependent children  
26 (MDCP) waiver program through the STAR Kids managed care program in  
27 accordance with Sections 531.071(e) and 533.072 contains a

1 requirement that the managed care organization develop a monitoring  
2 program that uses individual and consumer-based quality metrics  
3 designed specifically with the needs of the recipient population in  
4 mind for purposes of measuring the quality of health care services  
5 provided by the organization's provider network.

6 (b) Based on metrics designed under Subsection (a), each  
7 managed care organization that contracts with the commission as  
8 described by that subsection shall perform evaluations and audits  
9 of the organization's provider network.

10 Sec. 533.077. PROVIDER PROTECTIONS. (a) Notwithstanding  
11 any other law, the commission shall require a managed care  
12 organization that contracts with the commission to provide health  
13 care services to recipients under the STAR Kids managed care  
14 program to:

15 (1) obtain the express approval of a recipient's  
16 parent or guardian before selecting a provider for the recipient or  
17 changing that provider; and

18 (2) reimburse a provider for a service at a rate that  
19 is at least 75 percent of the reimbursement rate paid for the same  
20 service under the traditional fee-for-service delivery model  
21 implemented under Section 32.042421, Human Resources Code.

22 (b) The commission shall establish a complaints process for  
23 providers contracting with managed care organizations that  
24 contract with the commission to provide health care services to  
25 recipients under the STAR Kids managed care program under which the  
26 providers are:

27 (1) confident their complaints will be appropriately

1 considered and resolved and will not be referred back to the managed  
2 care organization; and

3 (2) protected from retaliatory action by the managed  
4 care organization.

5 Sec. 533.078. REGIONAL REVIEW PANELS. (a) The commission  
6 shall establish regional review panels to review denials based on  
7 medical necessity issued by managed care organizations that  
8 contract with the commission to provide health care services under  
9 the STAR Kids managed care program. The panels must be composed of  
10 at least six but not more than eight members and must include:

11 (1) the parent or guardian of a child with an  
12 intellectual or developmental disability who has complex medical  
13 needs;

14 (2) an advocate for children with an intellectual or  
15 developmental disability;

16 (3) a representative of primary care physicians  
17 participating in the STAR Medicaid managed care program or the STAR  
18 Kids managed care program; and

19 (4) a representative of health care providers, other  
20 than primary care physicians, participating in the STAR Medicaid  
21 managed care program or the STAR Kids managed care program.

22 (b) The executive commissioner or the executive  
23 commissioner's designee shall appoint a presiding member of each  
24 regional review panel established under this section.

25 (c) Each regional review panel shall meet at least quarterly  
26 at the call of the presiding officer.

27 (d) Each member of a regional review panel serves without

1 compensation.

2 (e) A regional review panel established under this section  
3 shall:

4 (1) review denials described by Subsection (a) for  
5 which there are requests for the commission to conduct a fair  
6 hearing before the commission conducts its fair hearing;

7 (2) make a determination regarding whether to uphold  
8 or overturn the denial; and

9 (3) notify all parties and the commission of the  
10 regional review panel's determination under Subdivision (2).

11 (f) If a regional review panel upholds a denial, the  
12 recipient or provider, as applicable, may further pursue a fair  
13 hearing with the commission. If a regional review panel overturns a  
14 denial, the managed care organization is bound by the determination  
15 but may appeal the determination to the commission.

16 (g) The commission is not bound by a determination of a  
17 regional review panel under this section.

18 (h) The executive commissioner shall adopt rules necessary  
19 to implement this section.

20 SECTION 6. Section 533.00253, Government Code, is  
21 transferred to Subchapter C, Chapter 533, Government Code, as added  
22 by this Act, redesignated as Section 533.071, Government Code, and  
23 amended to read as follows:

24 Sec. 533.071 [~~533.00253~~]. STAR KIDS [~~MEDICAID~~] MANAGED  
25 CARE PROGRAM. (a) In this section:

26 (1) "Advisory committee" means the STAR Kids Managed  
27 Care Advisory Committee established under Section 533.00254 or a

1 successor committee.

2 (2) "Health home" means a primary care provider  
3 practice, or, if appropriate, a specialty care provider practice,  
4 incorporating several features, including comprehensive care  
5 coordination, family-centered care, and data management, that are  
6 focused on improving outcome-based quality of care and increasing  
7 patient and provider satisfaction under Medicaid.

8 (3) "Potentially preventable event" has the meaning  
9 assigned by Section 536.001.

10 (b) Except as provided by Section 32.042421, Human  
11 Resources Code, and subject [Subject] to Section 533.0025, the  
12 commission shall operate~~[, in consultation with the Children's~~  
13 ~~Policy Council established under Section 22.035, Human Resources~~  
14 ~~Code, establish]~~ a mandatory STAR Kids capitated managed care  
15 program tailored to provide Medicaid benefits to children with  
16 disabilities. The managed care program ~~[developed]~~ under this  
17 section must:

18 (1) provide Medicaid benefits that are customized to  
19 meet the health care needs of recipients under the program through a  
20 defined system of care;

21 (2) better coordinate care of recipients under the  
22 program;

23 (3) improve the health outcomes of recipients;

24 (4) improve recipients' access to health care  
25 services;

26 (5) achieve cost containment and cost efficiency;

27 (6) reduce the administrative complexity of

1 delivering Medicaid benefits;

2           (7) reduce the incidence of unnecessary  
3 institutionalizations and potentially preventable events by  
4 ensuring the availability of appropriate services and care  
5 management;

6           (8) require a health home; and

7           (9) coordinate and collaborate with long-term care  
8 service providers and long-term care management providers, if  
9 recipients are receiving long-term services and supports outside of  
10 the managed care organization.

11           (c) The commission may require that care management  
12 services made available as provided by Subsection (b)(7):

13           (1) incorporate best practices, as determined by the  
14 commission;

15           (2) integrate with a nurse advice line to ensure  
16 appropriate redirection rates;

17           (3) use an identification and stratification  
18 methodology that identifies recipients who have the greatest need  
19 for services;

20           (4) provide a care needs assessment for a recipient  
21 that is comprehensive, holistic, consumer-directed,  
22 evidence-based, and takes into consideration social and medical  
23 issues, for purposes of prioritizing the recipient's needs that  
24 threaten independent living;

25           (5) are delivered through multidisciplinary care  
26 teams located in different geographic areas of this state that use  
27 in-person contact with recipients and their caregivers;

1           (6) identify immediate interventions for transition  
2 of care;

3           (7) include monitoring and reporting outcomes that, at  
4 a minimum, include:

5                   (A) recipient quality of life;

6                   (B) recipient satisfaction; and

7                   (C) other financial and clinical metrics  
8 determined appropriate by the commission; and

9           (8) use innovations in the provision of services.

10           (d) The commission shall provide Medicaid benefits through  
11 the STAR Kids managed care program operated [~~established~~] under  
12 this section to a child [~~children~~] who is [~~are~~] receiving benefits  
13 under the medically dependent children (MDCP) waiver program if the  
14 parent or guardian of the medically dependent child opts the child  
15 into receiving benefits through the STAR Kids managed care program  
16 in accordance with Section 533.072. The commission shall ensure  
17 that the STAR Kids managed care program provides all of the benefits  
18 provided under the medically dependent children (MDCP) waiver  
19 program to the extent necessary to implement this subsection.

20           (e) The commission shall ensure that there is a plan for  
21 transitioning the provision of Medicaid benefits to recipients 21  
22 years of age or older from under the STAR Kids managed care program  
23 to under:

24                   (1) the STAR+PLUS [~~STAR + PLUS~~] Medicaid managed care  
25 program; or

26                   (2) if the child is receiving benefits under the  
27 medically dependent children (MDCP) waiver program and the

1 commission determines it is more appropriate, another Medicaid  
2 waiver program, as defined by Section 534.001.

3 (f) The commission shall ensure that the plan described by  
4 Subsection (e):

5 (1) protects the recipient's continuity of care;

6 (2) if applicable and to the maximum extent possible,  
7 avoids placing a recipient on an interest list for a Medicaid waiver  
8 program, as defined by Section 534.001; and

9 (3) provides for [~~. The plan must ensure that~~]  
10 coordination between the STAR Kids managed care program and the  
11 STAR+PLUS Medicaid managed care program or other Medicaid waiver  
12 program beginning [~~programs begins~~] when a recipient reaches 18  
13 years of age.

14 SECTION 7. Section 533.00254(f), Government Code, is  
15 amended to read as follows:

16 (f) On the first anniversary of the date the commission  
17 completes implementation of the STAR Kids [~~Medicaid~~] managed care  
18 program under Section 533.071 [~~533.00253~~]:

19 (1) the advisory committee is abolished; and

20 (2) this section expires.

21 SECTION 8. Section 533.0063(c), Government Code, is amended  
22 to read as follows:

23 (c) A managed care organization participating in the  
24 STAR+PLUS [~~STAR + PLUS~~] Medicaid managed care program or STAR Kids  
25 [~~Medicaid~~] managed care program operated [~~established~~] under  
26 Section 533.071 [~~533.00253~~] shall, for a recipient in that program,  
27 issue a provider network directory for the program in paper form



1 unless the recipient opts out of receiving the directory in paper  
2 form.

3 SECTION 9. Chapter 534, Government Code, is amended by  
4 adding Subchapter D-1 to read as follows:

5 SUBCHAPTER D-1. ALTERNATIVE SERVICE DELIVERY PILOT PROGRAM

6 Sec. 534.181. DEFINITIONS. In this subchapter:

7 (1) "Health care service region" has the meaning  
8 assigned by Section 533.001.

9 (2) "Pilot program" means the pilot program  
10 implemented under this subchapter.

11 Sec. 534.182. ALTERNATIVE SERVICE DELIVERY PILOT PROGRAM  
12 IMPLEMENTATION. (a) The commission shall develop and implement a  
13 pilot program to test alternative methods for delivering Medicaid  
14 benefits to children with an intellectual or developmental  
15 disability, including children receiving benefits under the  
16 medically dependent children (MDCP) waiver program, who are  
17 otherwise receiving some or all of those benefits through the STAR  
18 Medicaid managed care program or the STAR Kids managed care  
19 program. The commission shall design the pilot program in a manner  
20 that allows the commission to determine whether the alternative  
21 delivery methods:

22 (1) achieve cost savings and efficiencies in the  
23 delivery of Medicaid acute care services and long-term services and  
24 supports; and

25 (2) improve the quality of and access to the services  
26 described by Subdivision (1).

27 (b) The pilot program must:

1           (1) be conducted in each health care service region of  
2 this state, begin not later than September 1, 2020, and operate for  
3 at least 24 months;

4           (2) include a total of at least 2,000 Medicaid  
5 recipients receiving benefits under the STAR Medicaid managed care  
6 program, and a total of at least 2,000 Medicaid recipients  
7 receiving benefits under the STAR Kids managed care program; and

8           (3) be designed in a manner that ensures continuity of  
9 care and the receipt of Medicaid acute care services and long-term  
10 services and supports for program participants.

11           (c) Recipient participation in the pilot program must be  
12 voluntary.

13           Sec. 534.183. ADVISORY COMMITTEE. (a) In developing the  
14 pilot program, the executive commissioner shall seek input from  
15 stakeholders by establishing an advisory committee to make  
16 recommendations to the commission on pilot program goals, outcome  
17 measures, and evaluation processes.

18           (b) The advisory committee must be composed of at least  
19 eight members who have expertise in and knowledge of the care needs  
20 of potential pilot program participants, including:

21                   (1) a representative of the commission;

22                   (2) the parent or guardian of a child with an  
23 intellectual or developmental disability who has complex medical  
24 needs;

25                   (3) an advocate for children with an intellectual or  
26 developmental disability;

27                   (4) a representative of primary care physicians

1 participating in the STAR Medicaid managed care program or the STAR  
2 Kids managed care program; and

3 (5) a representative of health care providers, other  
4 than primary care physicians, participating in the STAR Medicaid  
5 managed care program or the STAR Kids managed care program.

6 (c) The executive commissioner shall appoint a member of the  
7 advisory committee as the presiding officer.

8 (d) The advisory committee shall meet at least quarterly at  
9 the call of the presiding officer.

10 (e) A member of the advisory committee serves without  
11 compensation.

12 (f) The advisory committee is subject to the requirements of  
13 Chapter 551.

14 Sec. 534.184. REPORTING REQUIREMENT. (a) The commission  
15 shall conduct an initial evaluation of the pilot program and submit  
16 a written report on that evaluation not later than September 1,  
17 2021, to:

18 (1) the legislature, including the standing  
19 committees of the house of representatives and senate having  
20 primary jurisdiction over Medicaid;

21 (2) the advisory committee established under Section  
22 534.183; and

23 (3) the STAR Kids Managed Care Advisory Committee  
24 established under Section 533.00254 or a successor committee.

25 (b) The commission shall conduct a final evaluation of the  
26 pilot program and submit a written report on that evaluation to the  
27 entities described under Subsection (a) not later than September 1,

1 2022.

2 (c) Each evaluation required under this section must  
3 include:

4 (1) an evaluation of the success of the pilot program  
5 in achieving the program's goals; and

6 (2) recommendations for legislation that identify any  
7 statutory requirements that are impairing the success of the  
8 program or that may impair permanent implementation of a program  
9 delivery model.

10 Sec. 534.185. MORATORIUM ON IMPLEMENTATION OF CERTAIN LAW.  
11 Notwithstanding any other law, including Subchapter E, the  
12 commission may not expand on or after December 1, 2019, the delivery  
13 of Medicaid acute care services or long-term services and supports  
14 to children with an intellectual or developmental disability under  
15 the STAR Medicaid managed care program or the STAR Kids managed care  
16 program until the commission submits to the legislature the report  
17 on the final evaluation required under Section 534.184.

18 Sec. 534.186. EXPIRATION. This subchapter expires  
19 September 1, 2022.

20 SECTION 10. Section [32.0212](#), Human Resources Code, is  
21 amended to read as follows:

22 Sec. 32.0212. DELIVERY OF MEDICAL ASSISTANCE. Except as  
23 provided by Section 32.042421 and notwithstanding  
24 [Notwithstanding] any other law [and subject to Section [533.0025](#),  
25 Government Code], the commission shall provide medical assistance  
26 for acute care services through the Medicaid managed care system in  
27 accordance with [implemented under] Chapter [533](#), Government Code,

1 or another Medicaid capitated managed care program.

2 SECTION 11. Subchapter B, Chapter 32, Human Resources Code,  
3 is amended by adding Section 32.042421 to read as follows:

4 Sec. 32.042421. DELIVERY OF MEDICAL ASSISTANCE TO CERTAIN  
5 RECIPIENTS UNDER THE MEDICALLY DEPENDENT CHILDREN (MDCP) WAIVER  
6 PROGRAM. (a) The commission shall establish a program to provide  
7 medical assistance benefits under a traditional fee-for-service  
8 delivery model to a recipient who is a child receiving benefits  
9 under the medically dependent children (MDCP) waiver program,  
10 including a recipient who is a participant in the health insurance  
11 premium payment program under Section 32.0422.

12 (b) To the same extent required under Section 533.071(e),  
13 Government Code, the commission shall ensure that there is a plan  
14 for transitioning the provision of Medicaid benefits to recipients  
15 21 years of age or older from the fee-for-service delivery model  
16 provided under this section to the STAR+PLUS Medicaid managed care  
17 program or, if appropriate, a Medicaid waiver program, as defined  
18 by Section 534.001, Government Code, that protects continuity of  
19 care. The plan must ensure that the coordination begins when the  
20 recipient reaches 18 years of age.

21 (c) The executive commissioner shall adopt rules necessary  
22 to implement this section.

23 SECTION 12. As soon as practicable after the effective date  
24 of this Act, the Health and Human Services Commission shall conduct  
25 a study to identify incentives the commission could implement to  
26 increase the number of physicians and other health care providers  
27 contracting with managed care organizations to provide services to

1 children with complex medical needs who are recipients under  
2 Medicaid. Not later than December 1, 2021, the commission shall  
3 submit a report of its findings under the study to the standing  
4 committees of the house of representatives and senate having  
5 primary jurisdiction over the Medicaid program.

6 SECTION 13. (a) As soon as possible after the effective  
7 date of this Act, the Health and Human Services Commission shall  
8 identify each child who became ineligible for services under the  
9 medically dependent children (MDCP) waiver program on or after June  
10 1, 2016, and before the effective date of this Act.

11 (b) Section 531.0601, Government Code, as added by this Act,  
12 applies to:

13 (1) a child who becomes ineligible for the medically  
14 dependent children (MDCP) waiver program on or after the effective  
15 date of this Act; and

16 (2) a child identified under Subsection (a) of this  
17 section.

18 SECTION 14. Section 531.0602, Government Code, as added by  
19 this Act, applies only to a reassessment of a child's eligibility  
20 for the medically dependent children (MDCP) waiver program made on  
21 or after the effective date of this Act.

22 SECTION 15. Not later than December 1, 2019, the executive  
23 commissioner of the Health and Human Services Commission shall  
24 establish the advisory committee required by Section 534.183,  
25 Government Code, as added by this Act.

26 SECTION 16. (a) Not later than September 1, 2020, and  
27 subject to Subsections (b) and (c) of this section, the Health and

1 Human Services Commission shall:

2 (1) adopt the standardized policies and procedures  
3 required by Section 533.073, Government Code, as added by this Act,  
4 for managed care organizations participating in the STAR Kids  
5 managed care program;

6 (2) establish the standards for determining medical  
7 necessity required by Section 533.074, Government Code, as added by  
8 this Act, and applicable to managed care organizations  
9 participating in the STAR Kids managed care program;

10 (3) implement the provider protections required under  
11 Section 533.077, Government Code, as added by this Act; and

12 (4) establish the regional review panels required by  
13 Section 533.078, Government Code, as added by this Act.

14 (b) The Health and Human Services Commission shall ensure  
15 that a contract between the commission and a managed care  
16 organization to provide Medicaid benefits to recipients under the  
17 STAR Kids managed care program operated under Section 533.071,  
18 Government Code, as transferred, redesignated, and amended by this  
19 Act, that is entered into or renewed on or after the effective date  
20 of this Act complies with the provisions of Subchapter C, Chapter  
21 533, Government Code, as added by this Act.

22 (c) The Health and Human Services Commission shall seek to  
23 amend contracts entered into with managed care organizations to  
24 provide Medicaid benefits to recipients under the STAR Kids managed  
25 care program operated under Section 533.071, Government Code, as  
26 transferred, redesignated, and amended by this Act, before the  
27 effective date of this Act to ensure those contracts comply with the

1 provisions of Subchapter C, Chapter 533, Government Code, as added  
2 by this Act. To the extent of a conflict between a provision of that  
3 subchapter and a term of a contract with a managed care organization  
4 entered into before the effective date of this Act, the contract  
5 provision prevails.

6 SECTION 17. If before implementing any provision of this  
7 Act a state agency determines that a waiver or authorization from a  
8 federal agency is necessary for implementation of that provision,  
9 the agency affected by the provision shall request the waiver or  
10 authorization and may delay implementing that provision until the  
11 waiver or authorization is granted.

12 SECTION 18. This Act takes effect September 1, 2019.