

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 16, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3721 by Deshotel (Relating to an independent review organization to conduct reviews of certain medical necessity determinations under the Medicaid managed care program.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 533 of the Government Code to require the Health and Human Services Commission (HHSC) to contract with an independent review organization (IRO) to make review determinations with respect to disputes at issue in requests for appeal submitted to HHSC challenging a medical necessity determination of a managed care organization (MCO) that contracts with HHSC. The bill would require the Executive Commissioner of HHSC to set rules that determine the manner in which an IRO is to settle disputes and when in the appeals process an IRO may be accessed. The bill would require HHSC to ensure that the contract with an IRO meets a number of requirements. The bill would take effect September 1, 2019.

Based on the LBB's analysis of the Health and Human Services Commission, duties and responsibilities associated with implementing the provisions of the bill related to could be accomplished by utilizing existing 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: WP, AKi, EP, MDI