

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 8, 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:** **SB1105** by Kolkhorst (Relating to the administration and operation of Medicaid, including Medicaid managed care.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The agency is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

The bill would require a Medicaid managed care plan offered by a managed care organization (MCO) that contracts with the Health and Human Services Commission (HHSC) to be accredited by a nationally recognized accreditation organization, and would authorize HHSC to determine whether all managed care plans offered by an MCO be accredited by the same organization or may be accredited by different organizations. The bill would also require HHSC to prepare and submit a written report evaluating the feasibility of providing Medicaid benefits to children enrolled in the STAR Kids managed care program under an accountable care organization model or an alternate model developed by or in collaboration with the Centers for Medicare and Medicaid Services. The bill would take effect September 1, 2019.

Based on the LBB's analysis of HHSC, duties and responsibilities associated with implementing the provisions of the bill 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