

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 11, 2019

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

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

IN RE: SB1207 by Perry (Relating to the coordination of private health benefits with Medicaid benefits.), **Committee Report 1st House, Substituted**

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.

Additional costs related to reimbursing recipients for certain copayment or coinsurance costs and the cost impact of changes to managed care organization capitation rates as a result of changes to third party recoveries cannot be determined at this time.

The bill would require the Health and Human Services Commission (HHSC) to develop and maintain a list of services that are not traditionally covered by primary health benefit plans (PHBP) and that a Medicaid managed care organization (MCO) may approve without coordinating with the issuer of the PHBP and that could be resolved through third party liability resolution. The bill would require HHSC to provide certain information on a recipient's third party insurance, including benefits, limits, copayments, and coinsurance. The bill would require HHSC to develop and implement a process to allow a provider who primarily provides services to a recipient through PHBP coverage to receive Medicaid reimbursement for services ordered, referred, prescribed, or delivered regardless of whether the provider is enrolled as a Medicaid provider. The bill would require HHSC to develop and implement processes to reimburse a recipient with PHBP coverage who pays a copayment, coinsurance, or other cost-sharing amount out of pocket because the issuer refused to enroll in Medicaid, enter into a single-case agreement, or bill the recipient's MCO, and to capture encounter data for Medicaid wrap-around benefits provided by the MCO. 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 related to maintaining a list of services and collecting and providing data could be accomplished by utilizing existing resources. Due to insufficient information provided by HHSC, the cost impact to MCO capitation rates as a result of changes to third party recoveries and the impact of reimbursing recipients for certain copayment or coinsurance costs cannot be determined at this time.

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, MDI, AKi, EP