

BILL ANALYSIS

C.S.H.B. 3662
By: Buckley
Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the Health and Human Services Commission (HHSC) must contract with managed care organizations (MCOs) that are associated with hospital districts to provide health care services to Medicaid recipients in the various health care service regions across Texas. MCOs offering community-based health plans that lack a hospital district with which to partner have expressed interest in creating more choice for managed care recipients but are not afforded the same opportunity to do so. C.S.H.B. 3662 seeks to allow these high-quality health plans to reach more Medicaid recipients in Texas by allowing HHSC to contract with these MCOs to provide services under certain circumstances.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3662 amends the Government Code to require the Health and Human Services Commission (HHSC), in providing health care services through Medicaid managed care to recipients in a health care service region, to contract with an appropriately licensed managed care organization (MCO) in that region that is wholly owned by a provider-sponsored health organization that owns and operates a state-licensed hospital that is located in the region and two trauma facilities designated as level I trauma facilities by the Department of State Health Services that are located in different trauma service areas, contingent on HHSC not having an existing contract on September 1, 2021, with one of the following:

- an MCO that is wholly owned and operated by a hospital district in the region; or
- an MCO that is created by a qualifying nonprofit corporation that coordinates with a hospital district in the region or with a municipality that owns a state-licensed hospital with an indigent care obligation.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3662 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute makes the following changes with respect to the contracting requirement:

- regarding the applicability of the requirement:
 - includes MCOs created by qualifying nonprofit corporations with which HHSC must not already have a contract for the requirement to apply; and
 - establishes a cutoff date of September 1, 2021, for an existing contract with an MCO to be in place for the requirement to not be applicable; and
- regarding the requirements for the MCO with which HHSC must contract if the requirement applies:
 - specifies that the two trauma facilities be located in different trauma service areas; and
 - requires that the MCO also own and operate a state-licensed hospital in the region.