

## **BILL ANALYSIS**

Senate Research Center  
87R10867 BDP-F

S.B. 1244  
By: Perry  
Health & Human Services  
4/12/2021  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1244 amends Chapter 533 of the Government Code to require the Health and Human Services Commission (HHSC) to evaluate and certify that a managed care organization (MCO) is reasonably able to fulfill the terms and legal requirements before a mandatory contract is awarded. HHSC may not award a contract under this chapter if it does not receive the required certification. An MCO may appeal a denial of certification.

As proposed, S.B. 1244 amends current law relating to the award of health plan provider contracts under Medicaid managed care.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.0035, as follows:

Sec. 533.0035. CERTIFICATION BY COMMISSION. (a) Requires that the Health and Human Services Commission (HHSC), before HHSC is authorized to award a contract under Chapter 533 (Medicaid Managed Care Program) to a managed care organization, to evaluate and certify that the organization is reasonably able to fulfill the terms of the contract, including all requirements of applicable federal and state law.

(b) Prohibits HHSC, notwithstanding any other law, from awarding a contract under Chapter 533 to a managed care organization that does not receive the certification required under this section.

(c) Authorizes a managed care organization to appeal a denial of certification by HHSC under this section.

SECTION 2. Amends Section 533.004(a), Government Code, as follows:

(a) Requires HHSC, subject to the considerations required under Section 533.003 (Considerations in Awarding Contracts) and the certification required under Section 533.0035 in providing health care services through Medicaid managed care to recipients in a health care service region, to contract with a managed care organization in that region that is licensed under Chapter 843, Insurance Code, to provide health care in that region and that meets certain criteria.

SECTION 3. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such a waiver or authorization is granted.

SECTION 4. Effective date: September 1, 2021.