

By: Kolkhorst

S.B. No. 1150

A BILL TO BE ENTITLED

1 AN ACT
2 relating to assignment or transfer of certain contracts with
3 managed care organizations under Medicaid and the child health plan
4 program.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter B, Chapter 531, Government Code, is
7 amended by adding Section 531.06965 to read as follows:

8 Sec. 531.06965. ASSIGNMENT OR TRANSFER OF CERTAIN MANAGED
9 CARE ORGANIZATION CONTRACTS. (a) In this section:

10 (1) "Managed care organization" means a Medicaid
11 managed care organization and a managed care organization that
12 contracts with the commission to provide health care services to
13 child health plan program enrollees.

14 (2) "Terminating managed care organization" means a
15 managed care organization that notifies the commission in writing
16 or otherwise of the organization's intent to terminate the
17 organization's contract with the commission to provide health care
18 services to Medicaid recipients or child health plan program
19 enrollees.

20 (b) The commission shall develop a process to assign or
21 transfer a contract from a terminating managed care organization to
22 a managed care organization currently under contract with the
23 commission if the commission determines that the termination:

24 (1) puts the commission at risk of violating a state or

1 federal law or regulation;

2 (2) jeopardizes the health and safety of Medicaid
3 recipients or child health plan program enrollees; or

4 (3) otherwise impedes the most cost-effective
5 delivery of capitated managed care under the applicable program.

6 (c) Notwithstanding any other law, the provisions of
7 Chapter 2155 do not apply to the assignment or transfer of a
8 contract through the process the commission develops under this
9 section.

10 SECTION 2. If before implementing any provision of this Act
11 a state agency determines that a waiver or authorization from a
12 federal agency is necessary for implementation of that provision,
13 the agency affected by the provision shall request the waiver or
14 authorization and may delay implementing that provision until the
15 waiver or authorization is granted.

16 SECTION 3. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2021.