

By: Buckingham

S.B. No. 1403

A BILL TO BE ENTITLED

AN ACT

relating to the award of health plan provider contracts under the Medicaid managed care program.

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

SECTION 1. Section 533.004(a), Government Code, is amended to read as follows:

(a) In providing health care services through Medicaid managed care to recipients in a health care service region, the commission shall contract with a managed care organization in that region that is licensed under Chapter 843, Insurance Code, if subject to that chapter, to provide health care in that region and that is:

(1) wholly owned and operated by a hospital district in that region;

(2) created by a nonprofit corporation that:

(A) has a contract, agreement, or other arrangement with a hospital district in that region or with a municipality in that region that owns a hospital licensed under Chapter 241, Health and Safety Code, and has an obligation to provide health care to indigent patients; and

(B) under the contract, agreement, or other arrangement, assumes the obligation to provide health care to indigent patients and leases, manages, or operates a hospital facility owned by the hospital district or municipality; [~~or~~]

1 (3) created by a nonprofit corporation that has a
2 contract, agreement, or other arrangement with a hospital district
3 in that region under which the nonprofit corporation acts as an
4 agent of the district and assumes the district's obligation to
5 arrange for services under the Medicaid expansion for children as
6 authorized by Chapter 444, Acts of the 74th Legislature, Regular
7 Session, 1995; or

8 (4) a provider-sponsored health organization
9 affiliated with two trauma facilities designated as level I trauma
10 facilities by the Department of State Health Services under Section
11 773.115, Health and Safety Code, provided the commission does not
12 have an existing contract with a managed care organization under
13 Subdivision (1).

14 SECTION 2. The changes in law made by this Act apply only to
15 the award of a contract by the Health and Human Services Commission
16 on or after the effective date of this Act.

17 SECTION 3. If before implementing any provision of this Act
18 a state agency determines that a waiver or authorization from a
19 federal agency is necessary for implementation of that provision,
20 the agency affected by the provision shall request the waiver or
21 authorization and may delay implementing that provision until the
22 waiver or authorization is granted.

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2021.