

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 25, 2021**

**TO:** Honorable James B. Frank, Chair, House Committee on Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** **HB4216** by Raymond (Relating to Medicaid managed care accreditation.), **As Introduced**

**The fiscal implications of the bill cannot be determined at this time because the number of Medicaid managed care organizations currently accredited is unknown.**

The bill would amend Government Code Chapter 533 relating to Medicaid managed care accreditation. The Health and Human Services Commission would be prohibited from awarding a contract to managed care organization (MCO) that is not accredited or seeking accreditation by an accrediting body that meets certain criteria. The fiscal implications of the bill cannot be determined at this time because the number of Medicaid MCOs currently accredited is unknown. If there are MCOs not currently accredited, implementing the requirements of the bill could result in an increase in MCO administrative costs, which are used to inform MCO capitation rates.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Hlth & Human Svcs Comm

**LBB Staff:** JMc, AKI, JLI, RD