By:  Oliverson, Burrows, Jetton, Shaheen, H.B. No. 2401

     Noble, et al.

A BILL TO BE ENTITLED

AN ACT

relating to certain contracting requirements under the Medicaid managed care delivery model.

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

SECTION 1.  Section 533.003(a), Government Code, is amended to read as follows:

(a)  In awarding contracts to managed care organizations, the commission shall:

(1)  give preference to organizations that have significant participation in the organization's provider network from each health care provider in the region who has traditionally provided care to Medicaid and charity care patients;

(2)  give extra consideration to organizations that agree to assure continuity of care for at least three months beyond the period of Medicaid eligibility for recipients;

(3)  consider the need to use different managed care plans to meet the needs of different populations;

(4)  consider the ability of organizations to process Medicaid claims electronically; [~~and~~]

(5)  in the initial implementation of managed care in the South Texas service region, give extra consideration to an organization that [~~either:~~

[~~(A)~~] is locally owned, managed, and operated, if one exists; and

(6)  consider the potential benefit to the Medicaid managed care program implemented under this chapter that may be derived from awarding a contract to provide health care services to recipients in a service delivery area to an organization that is licensed under Chapter 843, Insurance Code, and is:

(A)  wholly owned and operated by a hospital district in the service delivery area; or

(B)  created by a nonprofit organization that has a contract, agreement, or other arrangement with a hospital district in that service delivery area or with a municipality in that service delivery area that owns a hospital licensed under Chapter 241, Health and Safety Code, and has an obligation to provide health care to indigent patients [~~is in compliance with the requirements of Section 533.004~~].

SECTION 2.  Section 533.004, Government Code, is repealed.

SECTION 3.  (a) Except as provided by Subsection (b) of this section, the changes in law made by this Act apply only after the next operational start date of the Health and Human Services Commission's STAR and STAR+PLUS procurements. A procurement before the next operational start date for the Health and Human Services Commission's STAR and STAR+PLUS procurements is governed by the law in effect before the effective date of this Act and the former law is continued in effect for that purpose.

(b)  The changes in law made by this Act apply to any STAR Kids procurement on or after the effective date of this Act.

SECTION 4.  If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.