

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

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 1, 2023**

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

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

**IN RE: HB4823** by Oliverson (Relating to the provision and delivery of benefits to certain recipients under Medicaid.), **As Introduced**

The fiscal implications of the bill cannot be determined due to the impact on client services in Medicaid being unknown.

The bill would amend the common procedure for external medical reviews conducted by the Health and Human Services Commission (HHSC).

The bill would define complex medical needs and specialty providers and would require HHSC to develop a clear process to allow for the coordination of benefits for a recipient with complex medical needs who has an established relationship with a specialty provider at any time. The bill would require that the cancellation of a contract between a managed care organization (MCO) and a specialty provider does not void the coordination of care for a recipient, unless the cancellation is due to fraud, waste, or abuse.

According to HHSC, the requirements related to the common procedure for external medical review may not be implementable due to federal regulations related to state fair hearing timelines. If HHSC were able to implement the provisions related to external medical reviews, additional full-time equivalent positions would be needed to oversee and facilitate the process. According to the agency, a new portal would also be needed for members and providers to submit information related to the review.

HHSC estimates that the bill could increase the number of specialty providers and clients with complex medical needs, however the potential costs, which could be significant, are unknown. The client services costs associated with changes related to specialty providers and the bill cannot be determined due to the inability to estimate how many clients may establish a relationship with a specialty provider and potentially stay after contract is canceled and the negotiated rates between specialty providers and an MCO.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JMc, NPe, ER, CST, NV