

## **BILL ANALYSIS**

Senate Research Center  
89R18110 JG-D

C.S.S.B. 963  
By: Hughes  
Health & Human Services  
3/26/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Managed Care Organizations (MCOs) report that current guidelines from the Health and Human Services Commission restrict their ability to inform enrollees who may not qualify for Medicaid about health plan options available through Healthcare.gov. These limitations create confusion and prevent MCOs from providing essential information to members who no longer qualify for Medicaid but may be eligible for subsidized coverage in the individual marketplace.

The individual coverage marketplace has grown significantly in Texas, with enrollment nearly quadrupling in just four years. This expansion has contributed to a decline in the state's uninsured rate, highlighting the importance of ensuring eligible but enrolled populations are aware of their coverage options.

#### **What The Bill Does:**

- S.B. 963 prevents HHSC from establishing marketing guidelines that prohibit an MCO from informing a recipient about the availability of qualified health plans offered through healthcare.gov.
- The bill ensures clarity for MCOs so they can appropriately educate members transitioning out of Medicaid about affordable marketplace coverage options.
- By allowing MCOs to provide clear and direct information, Texas can continue to reduce the uninsured rate and increase access to health coverage.

#### **Why It Matters:**

- Many Texans transitioning out of Medicaid are unaware of their eligibility for premium tax credits and cost-sharing reductions available in the marketplace.
- Supporting awareness of individual market options helps ensure continuity of care and prevents gaps in coverage.
- S.B. 963 aligns Texas with best practices for promoting health care access while maintaining a strong private insurance market.
- Texas should support increasing coverage through ensuring eligible but unenrolled populations are aware of options like individual marketplace coverage with discounted options through premium tax credits.

C.S.S.B. 963 amends current law relating to allowing Medicaid managed care organizations to engage in marketing about the availability of certain private health benefit plan coverage.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 540.0055, Government Code, as effective April 1, 2025, by adding Subsection (c), as follows:

(c) Prohibits the marketing guidelines the Health and Human Services Commission establishes under Section 540.0055 (Marketing Guidelines) from prohibiting a Medicaid managed care organization from informing an individual, including a current or former recipient, about the availability of qualified health plans offered through an exchange, as the terms "exchange" and "qualified health plan" are defined by 45 C.F.R. Section 155.20, or advertising a Medicare Advantage plan or related benefit offered under Part C of Title XVIII of the Social Security Act (42 U.S.C. Section 1395w-21 et seq.) at a community enrollment or other event.

SECTION 2. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such a waiver or authorization is granted.

SECTION 3. Effective date: September 1, 2025.