

By: Hinojosa

H.B. No. 5284

A BILL TO BE ENTITLED

AN ACT

relating to considerations in awarding contracts under the Medicaid managed care program to managed care organizations that are public benefit corporations.

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

SECTION 1. Section 540.0204, Government Code, as effective April 1, 2025, is amended to read as follows:

Sec. 540.0204. CONTRACT CONSIDERATIONS RELATING TO MANAGED CARE ORGANIZATIONS. (a) In awarding contracts to managed care organizations, the commission shall:

(1) give preference to an organization that has 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 an organization that agrees to assure continuity of care for at least three months beyond a recipient's Medicaid eligibility period;

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

(4) consider the ability of an organization to process Medicaid claims electronically.

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

(1) if an organization is a public benefit

1 corporation, as defined by Section 21.952, Business Organizations
2 Code, apply a five percent increase to the bid score assigned to the
3 organization for purposes of awarding a contract under this
4 chapter; and

5 (2) if two or more bids receive the same score, give
6 preference to the organization that is a public benefit
7 corporation.

8 SECTION 2. Section 540.0204, Government Code, as amended by
9 this Act, applies only to a contract awarded by the Health and Human
10 Services Commission to a managed care organization on or after the
11 effective date of this Act.

12 SECTION 3. If before implementing any provision of this Act
13 a state agency determines that a waiver or authorization from a
14 federal agency is necessary for implementation of that provision,
15 the agency affected by the provision shall request the waiver or
16 authorization and may delay implementing that provision until the
17 waiver or authorization is granted.

18 SECTION 4. This Act takes effect September 1, 2025.