

By: Hagenbuch

S.B. No. 1640

A BILL TO BE ENTITLED

1 AN ACT
2 relating to access to criminal history record information for
3 purposes of the Medicaid program.

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

5 SECTION 1. Section [411.1143](#), Government Code, as effective
6 April 1, 2025, is amended by amending Subsection (a-1) and adding
7 Subsection (e) to read as follows:

8 (a-1) Criminal history record information the Health and
9 Human Services Commission or the office of inspector general is
10 authorized to obtain under Subsection (a) includes criminal history
11 record information relating to:

12 (1) a person that:

13 (A) has a direct or indirect ownership interest,
14 or a combination of direct and indirect ownership interests, that
15 equals five percent or more in the provider or person applying to
16 enroll as a provider;

17 (B) owns an interest of five percent or more in a
18 mortgage, deed of trust, promissory note, or other obligation
19 secured by the provider or person applying to enroll as a provider
20 if that interest equals at least five percent of the value of the
21 property or other assets of the provider or person applying to
22 enroll as a provider;

23 (C) is an officer or director of the provider or
24 person applying to enroll as a provider if that provider or

1 applicant is organized as a corporation; or

2 (D) is a partner in the provider or person
3 applying to enroll as a provider if that provider or applicant is
4 organized as a partnership [a person with a direct or indirect
5 ownership or control interest, as defined by 42 C.F.R. Section
6 455.101, in a provider of five percent or more]; and

7 (2) a managing employee of the provider or person
8 applying to enroll as a provider [a person whose information is
9 required to be disclosed in accordance with 42 C.F.R. Part 1001].

10 (e) In this section:

11 (1) "Managing employee," with respect to a provider or
12 person applying to enroll as a provider, means an individual,
13 including a general manager, business manager, administrator, or
14 director, who:

15 (A) exercises operational or managerial control
16 over all or part of the provider or applicant; or

17 (B) directly or indirectly conducts the daily
18 operations of all or part of the provider or applicant.

19 (2) "Medicaid agency" means the single state agency
20 administering or supervising the administration of the state
21 Medicaid plan.

22 (3) "Ownership interest," with respect to a provider
23 or person applying to enroll as a provider, means having equity in
24 the provider's or applicant's capital, stock, or profits.

25 (4) "Provider" means:

26 (A) an individual or entity that provides
27 Medicaid services under an agreement with the Medicaid agency; or

1 (B) an individual or entity that engages in the
2 delivery of health care services through the Medicaid managed care
3 program and that is authorized by this state to deliver those
4 services.

5 SECTION 2. This Act takes effect April 1, 2025, if this Act
6 receives a vote of two-thirds of all the members elected to each
7 house, as provided by Section 39, Article III, Texas Constitution.
8 If this Act does not receive the vote necessary for effect on that
9 date, this Act takes effect September 1, 2025.