

## **BILL ANALYSIS**

H.B. 1398  
By: Muñoz, Jr.  
Public Health  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding delays in reimbursement from managed care organizations to doctors and other health care providers under the Medicaid managed care program. Concerned parties note that postponement in reimbursement creates a heavy burden for Medicaid health care service providers, who must advance funds to pay for staff and overhead during the period between the provision of services and reimbursement by a managed care organization. H.B. 1398 seeks to overcome delays in the reimbursement for services provided to certain Medicaid patients.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 2 of this bill.

### **ANALYSIS**

H.B. 1398 amends the Government Code to remove provisions setting specified deadlines by which a managed care organization under contract with the Health and Human Services Commission (HHSC) to provide health care services to Medicaid managed care recipients is required to make payment to a physician or provider for health care services rendered to a recipient under a managed care plan for certain claims. The bill instead requires payments for such claims that do not involve services provided by a nursing facility, intermediate care facility, or group home to be made, on average, not later than the 15th day after the date the claim is received and requires a managed care organization to demonstrate to HHSC that the organization pays claims other than claims relating to services provided by a nursing facility, intermediate care facility, or group home, on average, not later than that date. The bill requires a Medicaid managed care contract to contain a requirement that the managed care organization allow a physician or provider to electronically submit documentation necessary for the managed care organization to process a claim for payment for health care services rendered to a recipient under a managed care plan, including additional documentation necessary when the claim is not submitted with documentation reasonably necessary for the managed care organization to process the claim. The bill requires a Medicaid managed care contract, for purposes of the managed care organization's outpatient pharmacy benefit plan, to require the organization or a pharmacy benefit manager, as applicable, to pay claims and allow the electronic submission of claims documentation in accordance with these provisions.

H.B. 1398 amends the Human Resources Code to require the executive commissioner of HHSC, not later than October 1, 2017, to adopt rules to ensure that HHSC or its designee pays a claim

for nonemergency ambulance services provided to a Medicaid recipient not later than the 15th day after the date the claim for payment is received with documentation reasonably necessary for HHSC or the designee to process the claim.

H.B. 1398 requires HHSC to seek to amend Medicaid managed care contracts entered into with a managed care organization before the bill's effective date to require the organization to comply with the bill's provisions and specifies that, to the extent of a conflict between a provision of such a contract and the bill's provisions, the contract provision prevails.

**EFFECTIVE DATE**

September 1, 2017.