

BILL ANALYSIS

S.B. 1244
By: Perry
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the existing Medicaid contracting process through which contracts are guaranteed to managed care organizations (MCOs). It has been suggested that the process could be improved if the Health and Human Services Commission (HHSC) implemented a certification process to award these contracts. S.B. 1244 seeks to address this issue by requiring HHSC to evaluate and certify that an MCO is reasonably able to fulfill the terms of a contract under the Medicaid managed care program before awarding the contract.

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

ANALYSIS

S.B. 1244 amends the Government Code to require the Health and Human Services Commission (HHSC), before awarding a Medicaid managed care contract to a managed care organization (MCO), to evaluate and certify that the MCO is reasonably able to fulfill the terms of the contract, including all requirements of applicable federal and state law. The bill prohibits HHSC from awarding such a contract to an MCO that does not receive this certification and authorizes an MCO to appeal a denial of certification by HHSC.

EFFECTIVE DATE

September 1, 2021.