

- SUBJECT:** Regulating reporting requirements under Medicaid managed care
- COMMITTEE:** Public Health — favorable, without amendment
- VOTE:** 9 ayes — Gray, Coleman, Capelo, Delisi, Glaze, Longoria, Maxey, Uresti, Wohlgemuth
- 0 nays
- SENATE VOTE:** On final passage, May 3 — 30-0, on Local and Uncontested Calendar
- WITNESSES:** For — King Hillier, Texas Association of Public and Non Profit Hospitals; Therese Ruffing, Texas Association of Health Plans
- Against — None
- On — Linda Wertz, Health and Human Services Commission; Sheri Wilson, Texas Department of Health
- BACKGROUND:** Medicaid, the state-federal health care program for the poor, elderly, and disabled, is administered by the Texas Department of Human Services and funded through the Texas Department of Health, both under the purview of the Health and Human Services Commission (HHSC).
- In 1995, the 74th Legislature enacted SB 10 by Zaffirini, establishing the Medicaid managed care program. Medicaid now provides medical benefits either through fee-for-service or managed care. Fee-for-service means that the state pays for benefits based on actual services administered, while managed care generally is a capitated (per person) rate.
- DIGEST:** SB 284 would direct HHSC to streamline on-site inspection procedures and reporting requirements, including combining information in quarterly reports, submitting reports electronically, and eliminating duplicative reports. In turn, HHSC could require that managed care organizations streamline the forms and reporting requirements for providers and that they reduce duplication. These provisions would expire September 1, 2002. HHSC would have to report to the Legislature on streamlining procedures by November 1, 2002.

HHSC, the Texas Department of Insurance (TDI), and any health and human services agency that implemented a portion of Medicaid would have to enter into memoranda of understanding by November 30, 2001, that maximized interagency coordination and eliminated duplication in monitoring Medicaid managed care organizations.

These agencies also would have to develop a single audit instrument for use by HHSC, TDI, and health and human services agencies and their contractors in reviewing managed care organizations. It would have to include a method of assessing compliance with federal and state requirements; compliance of documents, records, and electronic files that managed care organizations must submit in advance of or as an alternative to on-site reviews; and compliance through on-site reviews. The agencies would have to develop this audit instrument by November 30, 2001.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

SB 284 would improve Medicaid managed care by making it more efficient. The Senate Health and Human Services Committee found that some procedures in the Medicaid managed care system waste resources and slow down operations because they are duplicative. This bill would implement the changes recommended by the committee's interim report.

The bill would ensure ongoing legislative oversight. HHSC would have to report back to the Legislature, which would ensure that changes were reviewed for compliance with legislative intent.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The provisions in SB 284 also are included the omnibus Medicaid bill, SB 1156 by Zaffirini, which was on yesterday's Major State Calendar.