

- SUBJECT:** Disease management services under Medicaid managed care
- COMMITTEE:** Public Health — committee substitute recommended
- VOTE:** 8 ayes — Delisi, Laubenberg, Coleman, Dawson, Jackson, McReynolds, Truitt, Zedler
- 0 nays
- 1 absent — Solis
- WITNESSES:** None
- BACKGROUND:** Medicaid, the state-federal health insurance program for children, low-income families, disabled persons, and the elderly, provides services to some recipients through managed care arrangements. Medicaid is administered by the Health and Human Services Commission (HHSC). Under Government Code, sec. 533.009, Medicaid managed care organizations are required to provide disease management programs for chronic diseases. Human Resources Code, sec. 32.059 permits HHSC to contract with third-party vendors for disease management services.
- DIGEST:** CSHB 2472 would require HHSC to establish minimum requirements for disease management programs administered by Medicaid managed care organizations. HHSC would have to require the organization to have performance standards comparable to the performance measures for other vendors of disease management programs and to show evidence of managing complex diseases in the Medicaid population. If a Medicaid recipient were moved from one program to another, the bill would require the two providers to coordinate during the transition.
- If continuing to use another vendor for disease management services, rather than a managed care organization, was more cost-effective, HHSC could authorize it. If a waiver or other federal authorization were required, HHSC would be directed to obtain it.
- The bill would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

As the state transitions more clients from traditional Medicaid into managed care, it should ensure that the disease management services are comparable so that the health and efficiency gains achieved by enrolling patients in a disease management program would not be lost.

CSHB 2472 would be more flexible than current law for health plans. If they could not offer disease management at a lower cost for the same level of service, HHSC could continue to contract with the current vendor, rather than require the managed care organization to pick up that function.

The bill would ensure that patients had access to quality disease management programs. The Medicaid recipients currently enrolled in disease management programs have seen good results, which should be continued if they move into a disease management program administered by a managed care organization.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The committee substitute would permit HHSC to use other vendors if cost-effective and remove any reference to Medicare.