

- SUBJECT:** Revising contract requirements between Medicaid MCOs and HHSC
- COMMITTEE:** Human Services — favorable, without amendment
- VOTE:** 8 ayes — Frank, Hinojosa, Deshotel, Klick, Meza, Miller, Noble, Rose
0 nays
1 absent — Clardy
- SENATE VOTE:** On final passage, May 3 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — Christine Bryan, Clarity Child Guidance Center; Monica Thyssen, Meadows Mental Health Policy Institute; (*Registered, but did not testify:* Cynthia Humphrey, Association of Substance Abuse Programs; Chris Masey, Coalition of Texans with Disabilities; Christine Yanas, Methodist Healthcare Ministries of South Texas, Inc.; Greg Hansch, National Alliance on Mental Illness Texas; Eric Kunish, National Alliance on Mental Illness Austin; Will Francis, National Association of Social Workers-Texas Chapter; Josette Saxton, Texans Care for Children; Lee Johnson, Texas Council of Community Centers; Cameron Duncan, Texas Hospital Association; Michelle Romero, Texas Medical Association)

Against — None

On — (*Registered, but did not testify:* Sarah Melecki, Health and Human Services Commission)
- BACKGROUND:** Government Code sec. 533.005 establishes requirements for a contract between a Medicaid managed care organization and the Health and Human Services Commission.

Some have noted substantial gaps in the availability of intensive home-based and community-based mental health services for children enrolled in Medicaid with serious mental health issues. Interested parties have suggested revising contract requirements for Medicaid managed care

organizations to increase flexibility in providing more cost-effective and evidence-based services under Medicaid managed care programs.

DIGEST:

SB 1177 would require a contract between a Medicaid managed care organization (MCO) and the Health and Human Services Commission (HHSC) to contain language permitting an MCO to offer medically appropriate, cost-effective, and evidence-based services from a list approved by the state Medicaid managed care advisory committee and included in the contract in lieu of mental health or substance use disorder services specified in the state Medicaid plan. A Medicaid recipient would not be required to use a service from the substituted list in the contract in lieu of another mental health or substance use disorder service specified in the state Medicaid plan.

HHSC would have to consider the actual cost and use of any services from the list included in the contract when setting capitation rates for the MCO.

HHSC also would have to submit an annual report to the Legislature regarding the number of times during the preceding year a service from the substituted list was used.

The bill would take effect September 1, 2019, and would apply to a contract entered into or renewed on or after that date.