

- SUBJECT:** Certain health care vendors' rate information requested by lawmakers
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 12 ayes — Paddie, Hernandez, Deshotel, Harless, Howard, Hunter, P. King, Metcalf, Raymond, Shaheen, Slawson, Smithee
- 0 nays
- 1 absent — Lucio
- WITNESSES:** For — Rebecca Galinsky, Protect TX Fragile Kids; (*Registered, but did not testify*: Charles Miller, Texas 2036; Maureen Ball; Denise Stufflebeam; Molly White; Paul Yamarick)
- Against — None
- On — (*Registered, but did not testify*: Adrienne Trigg, Texas Medical Equipment Providers Association)
- BACKGROUND:** Concerns have been raised regarding the lack of transparency of pricing in negotiated contracts between the state and health care vendors, which could affect legislative oversight of the state's Medicaid program and other state-funded health plans.
- DIGEST:** CSHB 1427 would allow a member of the Legislature to request from a health care vendor information on any negotiated rate included in a contract between the vendor and the state for the administration of health benefits. The vendor would have to provide the information after receiving a written request from the member.
- By providing information under the bill that was confidential or otherwise excepted from required disclosure under law, a health care vendor would not waive or affect the confidentiality of the information for purposes of state or federal law or waive the right to assert exceptions to required disclosure of the information in the future. A member or legislative staff

who received the information could not disclose it to any person who did not have a right to access the information under the bill.

The bill would apply only to a health care vendor that contracted with the state to administer health benefits under:

- a basic coverage plan under the Texas Employees Group Benefits Act;
- a basic coverage plan under the Texas Public School Retired Employees Group Benefits Act;
- a primary care coverage plan under the Texas School Employees Uniform Group Health Coverage Act;
- a basic coverage plan under the Uniform Insurance Benefits Act for employees of the University of Texas and the Texas A&M University systems; or
- the state Medicaid program, including the Medicaid managed care program.

The bill would take effect September 1, 2021, and would apply only to a health care vendor that entered into or renewed a contract with the state on or after that date.