

## **BILL ANALYSIS**

Senate Research Center

S.B. 1574  
By: Madla  
Health & Human Services  
4-6-97  
As Filed

### **DIGEST**

Currently, the health care delivery system under the state Medicaid program was restructured by S.B. 10, which passed during the 74th Legislature. The new law contained a provision requiring each managed care organization involved in the system to include in its provider network each historical Medicaid health care provider who agrees to the terms of the contract for not less than three years. Texas' 1115 waiver from the federal government to implement the statewide managed care Medicaid program under S.B. 10 has not been approved. The state has been implementing managed care pilot programs in various regions under 1915(b) waivers. This bill would clarify that the three-year requirement for contracting with historical Medicaid health care providers begins after the date of implementation of managed care in each service area, not after the date of implementation of S.B. 10.

### **PURPOSE**

As proposed, S.B. 1574 clarifies that the three-year requirement for contracting with historical Medicaid health care providers by each managed care organization involved in the state Medicaid program begins after the date of implementation of managed care in each service area.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1.01 Amends Section 16A(a), Article 4413(50), V.T.C.S., to require the Health and Human Services Commission (commission), in developing the health care delivery system, among other items, to design the system, among other items, to require that the commission, each intergovernmental initiative, and each managed care organization, as applicable, include in its provider network, not less than three years after the date of implementation of managed care in a service area, each health care provider in that area who, among other conditions, provided care to Medicaid and charity care patients at a significant level, as prescribed by the commission, during the 12 months preceding the date of implementation.

SECTION 2.01. Amends Section 532.102(a), Government Code, as added by the Act of the 75th Legislature, Regular Session, 1997, relating to nonsubstantive additions to and corrections in enacted codes, to require the commission, in developing the health care delivery system under this chapter, to design the system in a certain manner.

SECTION 3.01. Effective date: September 1, 1997.

SECTION 3.02. Provides that Article 1 takes effect only if the Act of the 75th Legislature, Regular Session, 1997, relating to nonsubstantive additions to and corrections in enacted codes, does not take effect.

SECTION 3.03. Provides that Article 2 takes effect only if the Act of the 75th Legislature, Regular Session, 1997, relating to nonsubstantive additions to and corrections in enacted codes, takes effect.

SECTION 3.04. Emergency clause.