Senate Research Center   H.B. 2084
84R19390 LED-D   By: Muñoz, Jr. et al. (Hinojosa)
Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The majority of Texas Medicaid clients receive services through a health plan provided though a managed care program. Informed parties explain that the process by which managed care payment rates and child health plan program rates are set is complex and has changed over time and that the Health and Human Services Commission has significant discretion in developing the rate-setting methodology.

The parties contend that more transparent documentation of the methodology, calculations, and assumptions used in the rate-setting process would provide policymakers and stakeholders the information needed to understand the factors that affect program costs, anticipate program funding needs, and assess the efficacy of the rate-setting process. H.B. 2084 seeks to bring such transparency to the Medicaid managed care and child health plan program rate-setting process.

H.B. 2084 amends current law relating to transparency in the rate-setting processes for the Medicaid managed care and child health plan programs.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.01314, as follows:

> Sec. 533.01314. TRANSPARENCY OF PREMIUM PAYMENT RATE-SETTING PROCESS FOR MEDICAID MANAGED CARE PROGRAM. Requires the Health and Human Services Commission (HHSC) or an agency operating part of the state Medicaid managed care program, as appropriate, to ensure the transparency of the premium payment rate-setting process for the Medicaid managed care program by publishing actuarial reports:
>
>> (1) in a format that allows for tracing data and formulas across attachments, exhibits, and examples; and
>>
>> (2) that clearly identify and describe:
>>
>>> (A) the methodology by which the executive commissioner of health and human services (executive commissioner) set the payment rates;
>>>
>>> (B) the data sources used;
>>>
>>> (C) the components of the process that are assumptions and how the assumptions are developed;
>>>
>>> (D) multipliers and factors used throughout the reports, including the source and purpose of the multipliers and factors; and

(E) the methodology by which the executive commissioner determined that the rates are actuarially sound for the populations covered and the services provided.

SECTION 2. Amends Subchapter B, Chapter 62, Health and Safety Code, by adding Section 62.061, as follows:

Sec. 62.061. TRANSPARENCY OF PREMIUM PAYMENT RATE-SETTING PROCESS. Requires HHSC to ensure the transparency of the premium payment rate-setting process for the child health plan program by publishing actuarial reports:

(1) in a format that allows for tracing data and formulas across attachments, exhibits, and examples; and

(2) that clearly identify and describe:

(A) the methodology by which the executive commissioner set the payment rates;

(B) the data sources used;

(C) the components of the process that are assumptions and how the assumptions are developed;

(D) multipliers and factors used throughout the reports, including the source and purpose of the multipliers and factors; and

(E) the methodology by which the executive commissioner determined that the rates are actuarially sound for the populations covered and the services provided.

SECTION 3. Requires a state agency affected by the provision, if before implementing any provision of this Act the agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, to request the waiver or authorization and authorizes the agency to delay implementing that provision until the waiver or authorization is granted.

SECTION 4. Effective date: September 1, 2015.