

BILL ANALYSIS

Senate Research Center
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S.B. 1414
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Health & Human Services
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas Medicaid recipients receiving services through a managed care organization (MCO) have the ability to choose which MCO they would like to coordinate their health services. Currently, a recipient of these services enrolls for a 12-month period and can switch between MCOs within the first 90 days, at any time, for cause in accordance with federal statute, when they move to a new service delivery area, and once, for any reason.

The costs for MCOs, like any health plan, are reduced when there is consistency in the population of their plan. When plan members have the option to move at any time without cause it impedes consistency and has the potential to raise costs for MCOs and the state. Costs can also increase due to administrative burdens for MCOs and the Health and Human Services Commission when members move plans, requiring an employee to process those changes more often than necessary.

S.B. 1414 locks MCO members into their health plan 90 days after enrollment, but would still allow members to change plans in accordance with federal law for cause, when members move to a new service delivery area, and once every 12 months. By removing one option that leads to inconsistency, costs and administrative burdens will be reduced, and care coordination for Medicaid clients will be improved.

As proposed, S.B. 1414 amends current law relating to a recipient's disenrollment from a Medicaid managed care plan.

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 Section 553.0076(c), Government Code, to delete existing text allowing a recipient who is enrolled in a managed care plan (plan) under this chapter (Medicaid Managed Care Program), to disenroll from that plan and enroll in another plan, once for any reason after the periods described by Subsections (a) (relating to prohibiting disenrollment from a plan during the 12-month period after initial enrollment) and (b) (relating to disenrollment in a plan for any reason under certain circumstances).

SECTION 2. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 3. Effective date: upon passage or September 1, 2017.