

## **BILL ANALYSIS**

Senate Research Center  
86R10418 JG-D

S.B. 1177  
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Health & Human Services  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Intensive mental health services for children and youth are critical. Currently, in our state there are substantial gaps in the availability of intensive home and community based mental health services for children and youth with the most serious mental health challenges. There are many intensive, evidence-based practices that are known to have good outcomes for children and youth with the highest mental health needs that are not covered by the state under Medicaid despite the fact that these services can be cost-effective, especially when compared to inpatient hospitalization or residential care. Under this current system, there are few community-based treatment options accessible for children and youth with intensive needs.

In order to address gaps in the availability of intensive community-based services for children and youth with intensive mental health needs, Texas should make evidence-based practices available in Medicaid managed care. S.B. 1177 would update the managed care contracts to include mental health evidence based practices "in lieu of" other services. Instead of adding in new services into Medicaid managed care, which is a cost to the state, these "in lieu of" services are added to give providers options in treatment. These services will be cost-effective, medically appropriate and will not be up to the recipient to receive, all while allowing flexibility at the managed care organization level.

As proposed, S.B. 1177 amends current law relating to offering certain evidence-based practices in lieu of other mental health services by a Medicaid managed care organization.

### **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 533.005, Government Code, by adding Subsection (g), as follows:

(g) Requires a contract described by Subsection (a) (relating to requirements for a contract between a managed care organization and the Health and Human Services Commission (HHSC) for the organization to provide health care services to recipients), in addition to the requirements specified by that section, to contain language permitting a managed care organization to offer medically appropriate, cost-effective, evidence-based practices, authorized by HHSC under the contract, in lieu of mental health services specified in the state Medicaid plan. Provides that a recipient is not required to use a practice authorized under this subsection in lieu of another mental health service specified in the state Medicaid plan. Requires HHSC to take into consideration the actual cost and use of any practices described by this subsection that are offered by a managed care organization when setting the capitation rates for that organization under the contract.

SECTION 2. Makes application of Section 533.005, Government Code, as amended by this Act, prospective.

SECTION 3. 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 a delay of implementation until such a waiver or authorization is granted.

SECTION 4. Effective date: September 1, 2019.