

CHAPTER 390

S.B. No. 79

AN ACT

relating to the state system of selective contracting with health care providers for the provision of certain services to Medicaid recipients and certain requirements for those providers.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subsection (a), Section 32.027, Human Resources Code, is amended to read as follows:

(a) *Except as provided by Subsections (f), (g), and (h), a [A] recipient of medical assistance authorized in this chapter may select any provider authorized by the department to provide medical assistance.*

SECTION 2. Section 32.027, Human Resources Code, is amended by adding Subsections (f), (g), and (h) to read as follows:

(f) *The department by rule shall develop a system of selective contracting with health care providers for the provision of nonemergency inpatient hospital services to a recipient of medical assistance under this chapter. In implementing this subsection, the department shall:*

(1) *seek input from consumer representatives and from representatives of hospitals licensed under Chapter 241, Health and Safety Code, and from organizations representing those hospitals; and*

(2) *ensure that providers selected under the system meet the needs of a recipient of medical assistance under this chapter.*

(g) *The process to select a hospital must afford each disproportionate share hospital an opportunity to negotiate for a contract. The process will take into account the special circumstances of disproportionate share hospitals when evaluating proposals.*

(h) *A proposal or bid submitted by a hospital and any work papers, cost reports, or other financial data used to prepare the proposal or bid shall be confidential and not subject to required disclosure by the department or the hospital under any other statute until the executed contracts have been awarded.*

SECTION 3. Section 32.029, Human Resources Code, is amended by adding Subsection (e) to read as follows:

(e) *The department or its designee must notify providers of health care services in clear and concise language of the status of their claims on any claim not paid or denied within 90 days of receipt by the payor.*

SECTION 4. If before implementing Subsection (f) or (g), Section 32.027, Human Resources Code, as added by this Act, the Health and Human Services Commission determines that a waiver or authorization from a federal agency is necessary for implementation, the commission shall request the waiver or authorization and may authorize a delay in implementing that provision until the waiver or authorization is granted.

SECTION 5. The Health and Human Services Commission and the Texas Department of Health may contract with other state agencies to implement Title XIX of the Social Security Act (42 U.S.C. Section 1396 et seq.) to the same extent as granted to the Texas Department of Human Services under Section 32.023, Human Resources Code.

SECTION 6. This Act takes effect September 1, 1993.

SECTION 7. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on February 25, 1993, by a viva-voce vote; the Senate concurred in House amendments on May 23, 1993, by a viva-voce vote; passed the House, with amendments, on May 21, 1993, by a non-record vote.

Approved June 2, 1993.

Effective Sept. 1, 1993.