

# HB 605

## Rate Disclosures in State Contracts

### Requests for Negotiated Rates

As filed, HB 605 would allow legislators or legislative staff to request information regarding any negotiated rate from Medicaid managed care organizations (MCOs). Our organization supports elected officials having access to negotiated rate information from MCOs. However, the current draft of the bill creates an unnecessarily complex process whereby legislators would be required to contact sixteen individual MCOs to gather information instead of sending the request to HHSC. If HHSC were the primary point of contact, the agency could efficiently gather the required information and provide a comprehensive response to the legislator. Instead of requesting information from each plan, our organization believes having HHSC handle these requests is the most efficient and logical solution.

- **HHSC already has access to the information:** Utilizing HHSC as the primary point of contact for legislative requests for negotiated rate information from Medicaid managed care organizations is the most efficient and practical solution as the agency already has access to the information through existing reporting requirements from the MCOs.
- **Health plans are not accustomed to receiving requests:** Health plans may not be equipped to handle legislative requests as their staff may not be familiar with the process, whereas state agencies are well-versed in handling such requests and have the necessary enforcement authority.

### Requests for Rebates

Section 531.071 of the Texas Government Code prohibits the release of Medicaid drug rebates, pricing, and negotiations from being released to anyone—including legislators. Based on expressed intent, we recommend adding an exception to this statute for legislators.

### Strengthening Codes of Conduct

In an effort to bolster the existing correlation between legislative requests and applicable standards of conduct and ethics policies, we recommend references to compliance with Section 572.051 and Section 552.008 of the Texas Government Code.