

Rider 36

Medicaid Managed Care Denial and Appeals Process.

Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts and Administration, the Health and Human Services Commission (HHSC) shall conduct a study of the denial and appeals process, including but not limited to, the administrative hearing process within the managed care networks for the STAR Kids, STAR Health, and STAR+PLUS Programs.

In conducting the study, HHSC shall consider:

- (a) the percentage of denials that are upheld or overturned on appeal over the last seven years;
- (b) best practices and outcomes in other states;
- (c) qualifications of hearing officers;
- (d) timeliness of the review process;
- (e) the denial notification process for families; and
- (f) input from stakeholders, including the STAR Kids Managed Care Advisory Committee and the State Medicaid Managed Care Advisory Committee.

HHSC shall submit a report of the study's findings to the Governor, Legislative Budget Board, Lieutenant Governor, and the Speaker of the House of Representatives not later than December 11, 2022. The report shall also include steps the agency has taken to implement Government Code § 531.024164, and a detailed timeline and plan for implementing the provisions of the statute by March 1, 2023.

Stakeholder Committee Questions:

- What issues have you (or the members you represent) experienced with the managed care denial and appeals process? This could be a denial of benefits such as a prior-authorization request. It might also be a reduction in services by the managed care organizations (MCOs) for which a member files an appeal or a fair hearings request.
- How easy or difficult is it to navigate the managed care denial and appeals process? Are the MCO's instructions easy to understand and follow?

- When filing appeals for denial of services, how responsive are the MCOs to those requests? Are there examples of delays that caused hardship for a member that can be provided to HHSC?
- How successful have you (or the members you represent) been in the appeals process? Are there examples of appeals or fair hearings that resulted in a restoration of benefits that can be provided to HHSC?