

BILL ANALYSIS

C.S.H.B. 1427
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, certain information regarding negotiated contracts between a state agency and health care vendors is not available for review by the legislature. In 2016, a lawsuit between Pfizer and the State of Texas was sparked by Senator Schwertner's request for the negotiated price schedule that was provided to him by the Health and Human Services Commission. There are concerns that state lawmakers would be unable to engage in proper oversight of the state's Medicaid program and other health care vendors contracting with the state if lawmakers are unable to obtain information about the rates negotiated in these contracts. C.S.H.B. 1427 seeks to ensure there is a level of transparency and an opportunity for lawmakers to conduct proper oversight activities by authorizing a member of the legislature to request information regarding negotiated rates from a health care vendor contracting with the state and requiring the vendor to provide the requested information.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1427 amends the Government Code to authorize a member of the legislature to request from a health care vendor, as defined by the bill, information regarding any negotiated rate included in a contract between the vendor and the state for the administration of health benefits under the state Medicaid program or an applicable insurance plan for governmental employees. On receipt of a written request for such information, the health care vendor is required to provide the requested information to the member who submitted the request. A health care vendor, by providing information that is confidential or otherwise excepted from required disclosure under law, does not waive or affect the confidentiality of the information for purposes of state or federal law or waive the right to assert exceptions to required disclosure of the information in the future. A member of the legislature or legislative staff who receives information from a vendor may not disclose that information to any person who does not have a right to access that information under the bill. These provisions apply only to a health care vendor that enters into or renews a contract with the state on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1427 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions that do the following:

- clarify that information that is confidential or otherwise exempt from disclosure under the law retains that confidentiality or exempt status in spite of being shared by a vendor; and
- prohibit a member of the legislature or legislative staff from disclosing information received from a vendor to any person who does not have a right to access that information under the bill's provisions.