



Texas Invests Federal Funds in IT for Better Health Care

Description

by Alicia Pierce, Jamie Dudensing

The third special session of the Texas Legislature wrapped up this morning shortly after midnight. This morning, the Legislature voted for the final passage of SB 8, which came out of conference yesterday and appropriates \$16 billion in federal COVID relief funds from the American Rescue Plan Act (ARPA).

The bill contains two key appropriations for information technology that will better serve Texans on Medicaid and bring efficiencies to the system. These improvements both require large, one-time investments but will provide long-term benefits and savings.

SB 8 allocates \$20 million to the Health & Human Services Commission to create a consolidated internet portal for Medicaid and the Children's Health Insurance Program (CHIP) for provider enrollment, credentialing and provider data management. The bill also appropriates \$5 million to the Health and Human Services Commission to update their Medicaid eligibility computer system.

These changes were recommended by the Texas Association of Health

Plans and supported by the nonpartisan think tank [Texas 2036](#) as [Smart Uses of Federal Funds to Modernize State IT](#). They are also consistent with [the group's finding](#) that 79% of Texans favor using a portion of the state's COVID relief funds to improve the state's cybersecurity and technology systems.

Under a single portal, providers will go to one place to enroll, credential, and update their information. This improves data by creating a single, definitive source of provider information used for directories, provider payment, etc. and helps HHSC oversee network adequacy for Medicaid managed care organizations. This recommendation was made by the [2015 Sunset Commission](#) and follows the [2018 EQRO Study on Provider Directory Data Quality](#) recommendation to remove data obstacles at HHSC. It also aligns Texas with other states that have implemented a single portal.

As written by Texas 2036, "By streamlining this process, burdens will be reduced on providers, hopefully increasing the number of providers who enroll, and the agency will be better able to evaluate [network sufficiency](#) in these programs."

SB 8 also allocates \$5 million to update the state's Medicaid eligibility computer system which will allow automatic enrollment in a managed care organization on the first day of Medicaid eligibility. Today, more than 94% of Medicaid clients are eligible for managed care on day one of their Medicaid eligibility, but clients are temporarily placed in a fee-for-services system because the current computer systems cannot automatically enroll them in a health plan.

Fixing this issue will allow managed care organizations to immediately provide services and care coordination, which reduces long-term costs, and it greatly reduces the costs associated with a fee-for-service computer system. Additionally, it reduces administrative burden and makes the client experience much less burdensome and confusing.

The bill now heads to Gov. Greg Abbott.

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Author

tahp