

1-1 By: Hagenbuch S.B. No. 1640
1-2 (In the Senate - Filed February 25, 2025; March 11, 2025,
1-3 read first time and referred to Committee on Health & Human
1-4 Services; April 22, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 April 22, 2025, sent to printer.)

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|------|----------------|-----|-----|--------|-----|
| 1-7 | COMMITTEE VOTE | | | | |
| 1-8 | | Yea | Nay | Absent | PNV |
| 1-9 | Kolkhorst | X | | | |
| 1-10 | Perry | X | | | |
| 1-11 | Blanco | X | | | |
| 1-12 | Cook | X | | | |
| 1-13 | Hall | X | | | |
| 1-14 | Hancock | X | | | |
| 1-15 | Hughes | X | | | |
| 1-16 | Miles | X | | | |
| 1-17 | Sparks | X | | | |

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1640 By: Perry

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to access to criminal history record information that
1-22 relates to providers and provider applicants under Medicaid and
1-23 other public benefits programs administered by the Health and Human
1-24 Services Commission.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. The heading to Section 411.1143, Government
1-27 Code, is amended to read as follows:

1-28 Sec. 411.1143. ACCESS TO CRIMINAL HISTORY RECORD
1-29 INFORMATION; AGENCIES ADMINISTERING OR OPERATING ~~[PART OF]~~ MEDICAL
1-30 ASSISTANCE AND OTHER PUBLIC BENEFITS PROGRAMS ~~[PROGRAM]~~.

1-31 SECTION 2. Section 411.1143, Government Code, is amended by
1-32 amending Subsections (a) and (a-1) and adding Subsection (e) to
1-33 read as follows:

1-34 (a) The Health and Human Services Commission, an agency
1-35 operating part of a public benefits program, including the medical
1-36 assistance program under Chapter 32, Human Resources Code, or the
1-37 office of inspector general established under Subchapter C, Chapter
1-38 544, of this code ~~[Government Code]~~, is entitled to obtain criminal
1-39 history record information as provided by Subsection (a-2) that
1-40 relates to a provider under a public benefits ~~[the medical~~
1-41 ~~assistance]~~ program administered by the commission or a person
1-42 applying to enroll as a provider under a public benefits ~~[the~~
1-43 ~~medical assistance]~~ program administered by the commission.

1-44 (a-1) Criminal history record information the Health and
1-45 Human Services Commission or the office of inspector general is
1-46 authorized to obtain under Subsection (a) includes criminal history
1-47 record information relating to:

1-48 (1) a person that:

1-49 (A) has a direct or indirect ownership interest,
1-50 or a combination of direct and indirect ownership interests, that
1-51 equals five percent or more in the provider or person applying to
1-52 enroll as a provider;

1-53 (B) owns an interest of five percent or more in a
1-54 mortgage, deed of trust, promissory note, or other obligation
1-55 secured by the provider or person applying to enroll as a provider
1-56 if that interest equals at least five percent of the value of the
1-57 property or other assets of the provider or person applying to
1-58 enroll as a provider;

1-59 (C) is an officer or director of the provider or
1-60 person applying to enroll as a provider if that provider or

applicant is organized as a corporation; or
(D) is a partner in the provider or person
applying to enroll as a provider if that provider or applicant is
organized as a partnership [a person with a direct or indirect
ownership or control interest, as defined by 42 C.F.R. Section
455.101, in a provider of five percent or more]; and

(2) a managing employee of the provider or person
applying to enroll as a provider [a person whose information is
required to be disclosed in accordance with 42 C.F.R. Part 1001].

(e) In this section:

(1) "Managing employee," with respect to a provider or
person applying to enroll as a provider, means an individual,
including a general manager, business manager, administrator, or
director, who:

(A) exercises operational or managerial control
over all or part of the provider or applicant; or

(B) directly or indirectly conducts the daily
operations of all or part of the provider or applicant.

(2) "Ownership interest," with respect to a provider
or person applying to enroll as a provider, means having equity in
the provider's or applicant's capital, stock, or profits.

(3) "Provider" means an individual or entity that
engages in the delivery of health care services and is authorized to
deliver those services in this state, including an individual or
entity that delivers health care services to recipients under the
medical assistance program.

SECTION 3. This Act takes effect immediately if it receives
a vote of two-thirds of all the members elected to each house, as
provided by Section 39, Article III, Texas Constitution. If this
Act does not receive the vote necessary for immediate effect, this
Act takes effect September 1, 2025.

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