

GOVERNMENT CODE

TITLE 4. EXECUTIVE BRANCH

SUBTITLE I. HEALTH AND HUMAN SERVICES

CHAPTER 540A. MEDICAID MANAGED TRANSPORTATION SERVICES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 540A.0001. DEFINITIONS. In this chapter:

(1) Notwithstanding Section 521.0001(2), "commission" means the Health and Human Services Commission or an agency operating part of the Medicaid managed care program, as appropriate.

(2) "Managed care plan" means a plan under which a person undertakes to provide, arrange for, pay for, or reimburse any part of the cost of any health care service. A part of the plan must consist of arranging for or providing health care services as distinguished from indemnification against the cost of those services on a prepaid basis through insurance or otherwise. The term includes a primary care case management provider network. The term does not include a plan that indemnifies a person for the cost of health care services through insurance.

(3) "Managed transportation organization" means:

(A) a rural or urban transit district created under Chapter 458, Transportation Code;

(B) a public transportation provider as defined by Section 461.002, Transportation Code;

(C) a regional contracted broker as defined by Section 526.0351;

(D) a local private transportation provider the commission approves to provide Medicaid nonemergency medical transportation services; or

(E) any other entity the commission determines meets the requirements of Subchapter B.

(4) "Medical transportation program" has the meaning assigned by Section 526.0351.

(5) "Nonemergency transportation service" has the meaning assigned by Section 526.0351.

(6) "Nonmedical transportation service" means:

(A) curb-to-curb transportation to or from a medically necessary, nonemergency covered health care service in a standard passenger vehicle that is scheduled not more than 48 hours before the transportation occurs, that is provided to a recipient enrolled in a Medicaid managed care plan offered by a Medicaid managed care organization, and that the organization determines meets the level of care that is medically appropriate for the recipient, including transportation related to:

(i) discharging a recipient from a health care facility;

(ii) receiving urgent care; and

(iii) obtaining pharmacy services and prescription drugs; and

(B) any other transportation to or from a medically necessary, nonemergency covered health care service the commission considers appropriate to be provided by a transportation vendor, as determined by commission rule or policy.

(7) "Recipient" means a Medicaid recipient.

(8) "Transportation network company" has the meaning assigned by Section [2402.001](#), Occupations Code.

(9) "Transportation vendor" means an entity, including a transportation network company, that contracts with a Medicaid managed care organization to provide nonmedical transportation services.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

SUBCHAPTER B. MEDICAL TRANSPORTATION PROGRAM SERVICES THROUGH MANAGED TRANSPORTATION DELIVERY MODEL

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [1620](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 540A.0051. DELIVERY OF MEDICAL TRANSPORTATION PROGRAM SERVICES THROUGH MANAGED TRANSPORTATION ORGANIZATION. (a) The

commission may provide medical transportation program services on a regional basis through a managed transportation delivery model using managed transportation organizations and providers, as appropriate, that:

- (1) operate under a capitated rate system;
 - (2) assume financial responsibility under a full-risk model;
 - (3) operate a call center;
 - (4) use fixed routes when available and appropriate;
- and

(5) agree to provide data to the commission if the commission determines that the data is required to receive federal matching funds.

(b) The commission shall procure managed transportation organizations under the medical transportation program through a competitive bidding process for each managed transportation region as determined by the commission.

(c) The commission may not delay providing medical transportation program services through a managed transportation delivery model in:

- (1) a county with a population of 750,000 or more:
 - (A) in which all or part of a municipality with a population of one million or more is located; and
 - (B) that is located adjacent to a county with a population of two million or more; or
- (2) a county with a population of at least 55,000 but not more than 65,000 that is located adjacent to a county with a population of at least 500,000 but not more than 1.5 million.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0052. MINIMUM QUALITY AND EFFICIENCY MEASURES. Except as provided by Sections [540A.0054](#), [540A.0057](#), and [540A.0058](#), the commission shall require that managed transportation organizations and providers participating in the medical transportation program meet minimum quality and efficiency measures the commission determines.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0053. MANAGED TRANSPORTATION ORGANIZATION: CONTRACT WITH MEDICAL TRANSPORTATION PROVIDER. Except as provided by Sections [540A.0054](#), [540A.0057](#), and [540A.0058](#), a managed transportation organization that participates in the medical transportation program must attempt to contract with medical transportation providers that:

(1) are significant traditional providers, as the executive commissioner defines by rule;

(2) meet the minimum quality and efficiency measures required under Section [540A.0052](#) and other requirements that the managed transportation organization may impose; and

(3) agree to accept the managed transportation organization's prevailing contract rate.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0054. MANAGED TRANSPORTATION ORGANIZATION: SUBCONTRACT WITH TRANSPORTATION NETWORK COMPANY. A managed transportation organization may subcontract with a transportation network company to provide services under this subchapter. A rule or other requirement the executive commissioner adopts under this subchapter or Subchapter [H](#), Chapter [526](#), does not apply to the subcontracted transportation network company or a motor vehicle operator who is part of the company's network.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0055. MANAGED TRANSPORTATION ORGANIZATION: VEHICLE FLEETS. (a) To the extent allowed under federal law, a managed transportation organization may own, operate, and maintain a fleet of vehicles or contract with an entity that owns, operates, and maintains a fleet of vehicles. The commission shall seek an appropriate federal waiver or other authorization to implement this subsection as necessary.

(b) The commission shall consider a managed transportation organization's ownership, operation, and maintenance of a fleet of vehicles to be a related-party transaction for purposes of applying experience rebates, administrative costs, and other administrative controls the commission determines.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0056. PERIODIC SCREENING OF TRANSPORTATION NETWORK COMPANY OR MOTOR VEHICLE OPERATOR AUTHORIZED. The commission or a managed transportation organization that subcontracts with a transportation network company under Section [540A.0054](#) may require the transportation network company or a motor vehicle operator who provides services under this subchapter to be periodically screened against the list of excluded individuals and entities the Office of Inspector General of the United States Department of Health and Human Services maintains.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0057. ENROLLMENT AS MEDICAID PROVIDER BY CERTAIN MOTOR VEHICLE OPERATORS NOT REQUIRED. The commission or a managed transportation organization that subcontracts with a transportation network company under Section [540A.0054](#) may not require a motor vehicle operator who is part of the subcontracted transportation network company's network to enroll as a Medicaid provider to provide services under this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0058. DRIVER REQUIREMENTS FOR CERTAIN MOTOR VEHICLE OPERATORS. Notwithstanding any other law, a motor vehicle operator who is part of the network of a transportation network company that subcontracts with a managed transportation organization under Section [540A.0054](#) and who satisfies the driver requirements in Section [2402.107](#), Occupations Code, is qualified to provide services under this subchapter. The commission and the

managed transportation organization may not impose any additional requirements on a motor vehicle operator who satisfies the driver requirements in Section [2402.107](#), Occupations Code, to provide services under this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0059. MOTOR VEHICLE OPERATOR: VEHICLE ACCESSIBILITY. For purposes of this subchapter and notwithstanding Section [2402.111\(a\)\(2\)\(A\)](#), Occupations Code, a motor vehicle operator who provides a service under this subchapter may use a wheelchair-accessible vehicle equipped with a lift or ramp that is capable of transporting a passenger using a fixed-frame wheelchair in the cabin of the vehicle if the vehicle otherwise meets the requirements of Section [2402.111](#), Occupations Code.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

SUBCHAPTER C. NONEMERGENCY TRANSPORTATION SERVICES THROUGH MEDICAID MANAGED CARE ORGANIZATION

Sec. 540A.0101. DELIVERY OF NONEMERGENCY TRANSPORTATION SERVICES THROUGH MEDICAID MANAGED CARE ORGANIZATION. (a) The commission shall require each Medicaid managed care organization to arrange and provide nonemergency transportation services to a recipient enrolled in a Medicaid managed care plan offered by the organization using the most cost-effective and cost-efficient method of delivery, including by delivering nonmedical transportation services through a transportation network company or other transportation vendor as provided by Section [540A.0151](#), if available and medically appropriate. The commission shall supervise the provision of the services.

(b) The commission may temporarily waive the applicability of Subsection (a) to a Medicaid managed care organization as necessary based on the results of a review conducted under Sections [540.0207](#) and [540.0209](#) and until enrollment of recipients in a

Medicaid managed care plan offered by the organization is permitted under that section.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0102. RULES FOR NONEMERGENCY TRANSPORTATION SERVICES. Subject to Sections [540A.0103](#) and [540A.0105](#), the executive commissioner shall adopt rules as necessary to ensure the safe and efficient provision of nonemergency transportation services by a Medicaid managed care organization under this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0103. MEDICAID MANAGED CARE ORGANIZATION: SUBCONTRACT WITH TRANSPORTATION NETWORK COMPANY. A Medicaid managed care organization may subcontract with a transportation network company to provide nonemergency transportation services under this subchapter. A rule or other requirement the executive commissioner adopts under Section [540A.0102](#) or Subchapter H, Chapter [526](#), does not apply to the subcontracted transportation network company or a motor vehicle operator who is part of the company's network.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0104. PERIODIC SCREENING OF TRANSPORTATION NETWORK COMPANY OR MOTOR VEHICLE OPERATOR AUTHORIZED. The commission or a Medicaid managed care organization that subcontracts with a transportation network company under Section [540A.0103](#) may require the transportation network company or a motor vehicle operator who provides services under this subchapter to be periodically screened against the list of excluded individuals and entities the Office of Inspector General of the United States Department of Health and Human Services maintains.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0105. ENROLLMENT AS MEDICAID PROVIDER BY CERTAIN MOTOR VEHICLE OPERATORS NOT REQUIRED. The commission or a Medicaid managed care organization that subcontracts with a transportation network company under Section 540A.0103 may not require a motor vehicle operator who is part of the subcontracted transportation network company's network to enroll as a Medicaid provider to provide services under this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. 4611), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0106. DRIVER REQUIREMENTS FOR CERTAIN MOTOR VEHICLE OPERATORS. Notwithstanding any other law, a motor vehicle operator who is part of the network of a transportation network company that subcontracts with a Medicaid managed care organization under Section 540A.0103 and who satisfies the driver requirements in Section 2402.107, Occupations Code, is qualified to provide services under this subchapter. The commission and the Medicaid managed care organization may not impose any additional requirements on a motor vehicle operator who satisfies the driver requirements in Section 2402.107, Occupations Code, to provide services under this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. 4611), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0107. MOTOR VEHICLE OPERATOR: VEHICLE ACCESSIBILITY. For purposes of this subchapter and notwithstanding Section 2402.111(a)(2)(A), Occupations Code, a motor vehicle operator who provides a service under this subchapter may use a wheelchair-accessible vehicle equipped with a lift or ramp that is capable of transporting a passenger using a fixed-frame wheelchair in the cabin of the vehicle if the vehicle otherwise meets the requirements of Section 2402.111, Occupations Code.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. 4611), Sec. 1.01, eff. April 1, 2025.

SUBCHAPTER D. NONMEDICAL TRANSPORTATION SERVICES THROUGH MEDICAID
MANAGED CARE ORGANIZATION

Sec. 540A.0151. DELIVERY OF NONMEDICAL TRANSPORTATION SERVICES THROUGH MEDICAID MANAGED CARE ORGANIZATION. (a) The commission shall require each Medicaid managed care organization to arrange for the provision of nonmedical transportation services to a recipient enrolled in a Medicaid managed care plan offered by the organization.

(b) A Medicaid managed care organization may contract with a transportation vendor or other third party to arrange for the provision of nonmedical transportation services. If a Medicaid managed care organization contracts with a third party that is not a transportation vendor to arrange for the provision of nonmedical transportation services, the third party shall contract with a transportation vendor to deliver the nonmedical transportation services.

(c) A Medicaid managed care organization that contracts with a transportation vendor or other third party to arrange for the provision of nonmedical transportation services shall ensure the effective sharing and integration of service coordination, service authorization, and utilization management data between the managed care organization and the transportation vendor or third party.

(d) The commission may waive the applicability of Subsection (a) to a Medicaid managed care organization for not more than three months as necessary based on the results of a review conducted under Sections [540.0207](#) and [540.0209](#) and until enrollment of recipients in a Medicaid managed care plan offered by the organization is permitted under that section.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0152. RULES FOR NONMEDICAL TRANSPORTATION SERVICES. (a) The executive commissioner shall adopt rules regarding the manner in which nonmedical transportation services may be arranged and provided.

(b) The rules must require a Medicaid managed care

organization to create a process to:

(1) verify that a passenger is eligible to receive nonmedical transportation services;

(2) ensure that nonmedical transportation services are provided only to and from covered health care services in areas in which a transportation network company operates; and

(3) ensure the timely delivery of nonmedical transportation services to a recipient, including by setting reasonable service response goals.

(c) The rules must require a transportation vendor to, before permitting a motor vehicle operator to provide nonmedical transportation services:

(1) confirm that the operator:

(A) is at least 18 years of age;

(B) maintains a valid driver's license issued by this state, another state, or the District of Columbia; and

(C) possesses proof of registration and automobile financial responsibility for each motor vehicle to be used to provide nonmedical transportation services;

(2) conduct, or cause to be conducted, a local, state, and national criminal background check for the operator that includes the use of:

(A) a commercial multistate and multijurisdiction criminal records locator or other similar commercial nationwide database; and

(B) the national sex offender public website the United States Department of Justice or a successor agency maintains;

(3) confirm that any vehicle to be used to provide nonmedical transportation services:

(A) meets the applicable requirements of Chapter [548](#), Transportation Code; and

(B) except as provided by Section [540A.0156](#), has at least four doors; and

(4) obtain and review the operator's driving record.

(d) The rules may not permit a motor vehicle operator to provide nonmedical transportation services if the operator:

(1) has been convicted in the three-year period preceding the issue date of the driving record obtained under Subsection (c)(4) of:

(A) more than three offenses the Department of Public Safety classifies as moving violations; or

(B) one or more of the following offenses:

(i) fleeing or attempting to elude a police officer under Section [545.421](#), Transportation Code;

(ii) reckless driving under Section [545.401](#), Transportation Code;

(iii) driving without a valid driver's license under Section [521.025](#), Transportation Code; or

(iv) driving with an invalid driver's license under Section [521.457](#), Transportation Code;

(2) has been convicted in the preceding seven-year period of any of the following:

(A) driving while intoxicated under Section [49.04](#) or [49.045](#), Penal Code;

(B) use of a motor vehicle to commit a felony;

(C) a felony crime involving property damage;

(D) fraud;

(E) theft;

(F) an act of violence; or

(G) an act of terrorism; or

(3) is found to be registered in the national sex offender public website the United States Department of Justice or a successor agency maintains.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0153. PERIODIC SCREENING OF TRANSPORTATION VENDOR OR MOTOR VEHICLE OPERATOR AUTHORIZED. The commission or a Medicaid managed care organization that contracts with a transportation vendor may require the transportation vendor or a motor vehicle operator who provides services under this subchapter to be periodically screened against the list of excluded individuals and entities the Office of Inspector General of the United States

Department of Health and Human Services maintains.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0154. ENROLLMENT AS MEDICAID PROVIDER BY, OR CREDENTIALING OF, MOTOR VEHICLE OPERATOR NOT REQUIRED. (a) The commission or a Medicaid managed care organization may not require a motor vehicle operator to enroll as a Medicaid provider to provide nonmedical transportation services.

(b) The commission may not require a Medicaid managed care organization to credential a motor vehicle operator to provide nonmedical transportation services, and the organization may not require the credentialing of a motor vehicle operator to provide those services.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0155. DRIVER REQUIREMENTS FOR CERTAIN MOTOR VEHICLE OPERATORS. Notwithstanding any other law, a motor vehicle operator who is part of a transportation network company's network and who satisfies the driver requirements in Section [2402.107](#), Occupations Code, is qualified to provide nonmedical transportation services. The commission and a Medicaid managed care organization may not impose any additional requirements on a motor vehicle operator who satisfies the driver requirements in Section [2402.107](#), Occupations Code, to provide nonmedical transportation services.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.

Sec. 540A.0156. MOTOR VEHICLE OPERATOR: VEHICLE ACCESSIBILITY. For purposes of this subchapter and notwithstanding Section [2402.111](#)(a)(2)(A), Occupations Code, a motor vehicle operator who provides a service under this subchapter may use a wheelchair-accessible vehicle equipped with a lift or ramp that is capable of transporting a passenger using a fixed-frame wheelchair in the cabin of the vehicle if the vehicle

otherwise meets the requirements of Section [2402.111](#), Occupations Code.

Added by Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. [4611](#)), Sec. 1.01, eff. April 1, 2025.