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OPINION

By Dallas Morning News Editorial
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Texas agency botched multibillion dollar Medicaid bid
Health and Human Services' gave Aetna a boost and must start over.



Texas Health and Human Services' improper release of documents possibly gave Aetna an advantage to secure valuable Medicaid contracts. The agency should clarify why it deviated from norms and start the procurement process over.

In Texas, millions of low-income residents are dependent on Medicaid for their health care coverage. The care provided is crucial to Texans, especially children and expectant mothers. That's why it's concerning that the state department in charge of awarding Medicaid contracts released sensitive information that could have given one insurer, Aetna, an advantage during the bidding process. Texas Health and Human Services, the agency handling the bidding process, should redo its procurement process in the interest of fairness.

Karen Brooks Harper first reported on the agency's error in The Texas Tribune. Her reporting revealed that Texas Health and Human Services officials admitted that they erred in showing Aetna the bids of 17 other competing insurers early in the process. These contracts are worth billions of dollars, and giving one company information on the other bids is unfair to taxpayers who deserve the best deal. It's legal for companies to request open records to gain an advantage during the bidding process, but it's up to the state agency to make sure that any information shared is fairly distributed. Aetna

requested documents in August 2023, before the awards were announced this March. Aetna was the only insurer to have access to documents while other insurers were still making presentations to the state's evaluation team.

According to The Texas Tribune, eight insurers have filed protests to the state potentially awarding contracts to Aetna and other bidders. The contracts last for six years at a time and will be finalized later this year. In addition to the unfair advantage given to Aetna, the list of potential winners of the bid process show a deviation from the agency's usual preferences. Three plans affiliated with children's hospitals were dropped from the program. That includes Cook Children's Health Care System in Fort Worth, which has provided care for 20 years. Some insurers who are brand new to Texas' Medicaid process were favored over long-term contracts. For the 1.8 million Texans relying on Medicaid, that means getting dropped from their existing plan and being reassigned next year. For patients in the intensive care unit and on ventilators, avoidable changes to their treatment like this can be disruptive and possibly affect their health care.

The only way forward is for Texas Health and Human Services to throw out the results of this procurement process and start over. It wouldn't be the first time that the agency has had to walk back the results of a bungled bidding process. Texans also deserve clarity on why agency officials released documents to just one insurer, information that should be uncovered by the state's inspector general if it doesn't surface in upcoming legal battles with insurers. It's impossible for insurers to unsee the bids of their competitors, but continuing with the results of this bidding process that was skewed in favor of one company would be a disservice to Texans.

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