

AN ACT

relating to disease management programs for certain Medicaid recipients.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.059 to read as follows:

Sec. 32.059. CONTRACTS FOR DISEASE MANAGEMENT

PROGRAMS. (a) The department shall request contract proposals from providers of disease management programs to provide program services to recipients of medical assistance who:

(1) have a disease or other chronic health condition, such as heart disease, hemophilia, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, that the department determines is a disease or condition that needs disease management; and

(2) are not eligible to receive those services under a Medicaid managed care plan.

(b) The department may contract with a public or private entity to:

- (1) write the requests for proposals;
- (2) determine how savings will be measured;
- (3) identify populations that need disease management;
- (4) develop appropriate contracts; and

1 (5) assist the department in:

2 (A) developing the content of disease management
3 programs; and

4 (B) obtaining funding for those programs.

5 (c) The department, by rule, shall prescribe the minimum
6 requirements a provider of a disease management program must meet
7 to be eligible to receive a contract under this section. The
8 provider must, at a minimum, be required to:

9 (1) use disease management approaches that are based
10 on evidence-supported models, minimum standards of care, and
11 clinical outcomes; and

12 (2) ensure that a recipient's primary care physician
13 and other appropriate specialty physicians, or registered nurses,
14 advanced practice nurses, or physician assistants specified and
15 directed or supervised in accordance with applicable law by the
16 recipient's primary care physician or other appropriate specialty
17 physicians, become directly involved in the disease management
18 program through which the recipient receives services.

19 (d) The department may not award a contract for a disease
20 management program under this section unless the contract includes
21 a written guarantee of state savings on expenditures for the group
22 of medical assistance recipients covered by the program.

23 (e) The department may enter into a contract under this
24 section with a comprehensive hemophilia diagnostic treatment
25 center that receives funding through a maternal and child health
26 services block grant under Section 501(a)(2), Social Security Act
27 (42 U.S.C. Section 701), and the center shall be considered a

1 disease management provider.

2 (f) Directly or through a provider of a disease management
3 program that enters into a contract with the department under this
4 section, the department shall, as appropriate and to the extent
5 possible without cost to the state:

6 (1) identify recipients of medical assistance under
7 this chapter or, at the discretion of the department, enrollees in
8 the child health plan under Chapter 62, Health and Safety Code, who
9 are eligible to participate in federally funded disease management
10 research programs operated by research-based disease management
11 providers; and

12 (2) assist and refer eligible persons identified by
13 the department under Subdivision (1) to participate in the research
14 programs described by Subdivision (1).

15 SECTION 2. (a) The Health and Human Services Commission
16 shall conduct a study to analyze the potential for state savings
17 through the use of disease management programs for recipients of
18 medical assistance under Section 32.059, Human Resources Code, as
19 added by this Act. The study must identify the diseases and chronic
20 health conditions that:

21 (1) result in the highest medical assistance
22 expenditures by this state; and

23 (2) show the greatest potential for state savings on
24 implementation of disease management programs.

25 (b) The commission shall consider the results of the study
26 when requesting contract proposals under Section 32.059, Human
27 Resources Code, as added by this Act.

1 (c) The commission may contract with a private entity to
2 conduct a study and produce a report under this section.

3 (d) Not later than December 31, 2003, the commission shall
4 complete the study required by this section and provide a report of
5 its findings to the governor, the lieutenant governor, the speaker
6 of the house of representatives, and the standing committees of the
7 senate and house of representatives having jurisdiction over health
8 and human services issues.

9 SECTION 3. If before implementing any provision of this Act
10 a state agency determines that a waiver or authorization from a
11 federal agency is necessary for implementation of that provision,
12 the agency affected by the provision shall request the waiver or
13 authorization and may delay implementing that provision until the
14 waiver or authorization is granted.

15 SECTION 4. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2003.

David Newkirk

President of the Senate

Jim Cusick

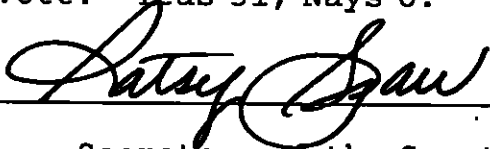
Speaker of the House

I certify that H.B. No. 727 was passed by the House on April 10, 2003, by the following vote: Yeas 142, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 727 on May 30, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 727 on June 1, 2003, by the following vote: Yeas 146, Nays 0, 2 present, not voting.

Robert Haney

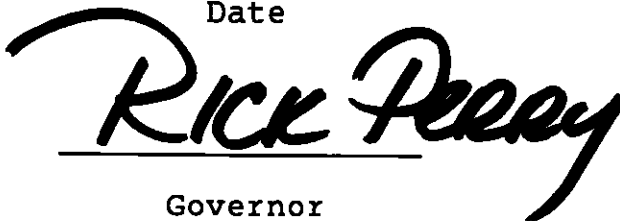
Chief Clerk of the House

I certify that H.B. No. 727 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 727 on June 1, 2003, by the following vote: Yeas 31, Nays 0.

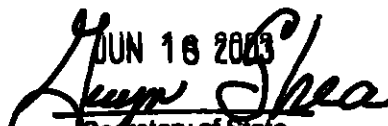

Secretary of the Senate

APPROVED: 16 JUNE 03

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:15 PM O'CLOCK


Secretary of State

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