AN ACT

relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.

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

ARTICLE 1. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM

SECTION 1.01. (a) Chapter 531, Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM

Sec. 531.02001. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM GENERALLY. In accordance with this subchapter, the functions of the health and human services system described under Sections 531.0201, 531.02011, and 531.02012 are consolidated through a phased transfer of those functions under which:

(1) the initial transfers required under Section 531.0201 occur:

(A) on or after the date on which the executive commissioner submits the transition plan to the required persons under Section 531.0204(e); and

(B) not later than September 1, 2016;

(2) the final transfers required under Section 531.02011 occur:

(A) on or after September 1, 2016; and

(B) not later than September 1, 2017; and
Sec. 531.02002. MEANING OF FUNCTION IN RELATION TO TRANSFERS. For purposes of the transfers mandated by this subchapter, "function" includes a power, duty, program, or activity of a state agency or entity.

Sec. 531.0201. PHASE ONE: INITIAL TRANSFERS. (a) On the dates specified in the transition plan required under Section 531.0204, the following functions are transferred to the commission as provided by this subchapter:

(1) all functions, including any remaining administrative support services functions, of each state agency and entity subject to abolition under Section 531.0202(a); and

(2) except as provided by Section 531.02013, all client services of the health and human services system, including client services functions performed by the following:

(A) the state agency and entity subject to abolition under Section 531.0202(b);

(B) the Department of Family and Protective Services; and

(C) the Department of State Health Services.

(b) On the dates specified in the transition plan required under Section 531.0204, all functions in the health and human services system related to prevention and early intervention services, including the Nurse-Family Partnership Competitive Grant Program under Subchapter C, Chapter 265, Family Code, are transferred to the Department of Family and Protective Services.
Sec. 531.02011. PHASE TWO: FINAL TRANSFERS TO COMMISSION.

On the dates specified in the transition plan required under Section 531.0204, the following functions are transferred to the commission as provided by this subchapter:

(1) all functions of each state agency and entity subject to abolition under Section 531.0202(b) that remained with the agency or entity after the initial transfer of functions under Section 531.0201 or a transfer of administrative support services functions under Section 531.02012;

(2) regulatory functions and functions related to state-operated institutions of the Department of State Health Services; and

(3) regulatory functions of the Department of Family and Protective Services.

Sec. 531.02012. TRANSFER AND CONSOLIDATION OF ADMINISTRATIVE SUPPORT SERVICES FUNCTIONS. (a) In this section, "administrative support services" has the meaning assigned under Section 531.00553.

(b) As soon as practicable after the first day of the period prescribed by Section 531.02001(1) and not later than the last day of the period prescribed by Section 531.02001(2), in accordance with and on the dates specified in the transition plan required under Section 531.0204, the executive commissioner shall, after consulting with affected state agencies and divisions, transfer and consolidate within the commission administrative support services functions of the health and human services system to the extent consolidation of those support services functions is feasible and
Consolidation of an administrative support services function under this section must be conducted in accordance with the principles and requirements for organization of administrative support services under Section 531.00553(c).

(c) Consultation with affected state agencies and divisions under Subsection (b) must be conducted in a manner that ensures client services are, at most, only minimally affected, and must result in a memorandum of understanding or other agreement between the commission and each affected agency or division that:

(1) details measurable performance goals that the commission is expected to meet;

(2) identifies a means by which the agency or division may seek permission from the executive commissioner to find an alternative way to address the needs of the agency or division, as appropriate;

(3) identifies steps to ensure that programs under the health and human services system, whether large or small, receive administrative support services that are adequate to meet the program's needs; and

(4) if appropriate, specifies that staff responsible for providing administrative support services consolidated within the commission are located in the area where persons requiring those services are located to ensure the staff understands related program needs and can respond to those needs in a timely manner.

Sec. 531.02013. FUNCTIONS REMAINING WITH CERTAIN AGENCIES. The following functions are not subject to transfer under Sections
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531.0201 and 531.02011:

(1) the functions of the Department of Family and Protective Services, including the statewide intake of reports and other information, related to the following:

(A) child protective services, including services that are required by federal law to be provided by this state’s child welfare agency;

(B) adult protective services, other than investigations of the alleged abuse, neglect, or exploitation of an elderly person or person with a disability:

(i) in a facility operated, or in a facility or by a person licensed, certified, or registered, by a state agency; or

(ii) by a provider that has contracted to provide home and community-based services; and

(C) prevention and early intervention services;

and

(2) the public health functions of the Department of State Health Services, including health care data collection and maintenance of the Texas Health Care Information Collection program.

Sec. 531.02014. RELATED TRANSFERS; EFFECT OF CONSOLIDATION. (a) All of the following that relate to a function that is transferred under Section 531.0201, 531.02011, or 531.02012 are transferred to the commission or the Department of Family and Protective Services, as applicable, on the date the related function is transferred as specified in the transition plan.
required under Section 531.0204:

(1) all obligations and contracts, including obligations and contracts related to a grant program;
(2) all property and records in the custody of the state agency or entity from which the function is transferred;
(3) all funds appropriated by the legislature and other money; and
(4) all complaints, investigations, or contested cases that are pending before the state agency or entity from which the function is transferred or a governing person or entity of the state agency or entity, without change in status.

(b) A rule, policy, or form adopted by or on behalf of a state agency or entity from which functions are transferred under Section 531.0201, 531.02011, or 531.02012 that relates to a function that is transferred under one of those sections becomes a rule, policy, or form of the receiving state agency upon transfer of the related function and remains in effect:

(1) until altered by the commission or other receiving state agency, as applicable; or
(2) unless it conflicts with a rule, policy, or form of the receiving state agency.

(c) A license, permit, or certification in effect that was issued by a state agency or entity from which functions are transferred under Section 531.0201 or 531.02011 that relates to a function that is transferred under either of those sections is continued in effect as a license, permit, or certification of the commission upon transfer of the related function until the license,
permit, or certification expires, is suspended or revoked, or
otherwise becomes invalid.

Sec. 531.0202. ABOLITION OF STATE AGENCIES AND ENTITIES;
EFFECT OF TRANSFERS. (a) Each of the following state agencies and
entities is abolished on a date that is within the period prescribed
by Section 531.02001(1), that is specified in the transition plan
required under Section 531.0204 for the abolition of the agency or
entity, and that occurs after all of the agency's or entity's
functions have been transferred in accordance with Section
531.0201:

1. the Department of Assistive and Rehabilitative
   Services;
2. the Health and Human Services Council;
3. the Aging and Disability Services Council;
4. the Assistive and Rehabilitative Services
   Council;
5. the Family and Protective Services Council;
6. the State Health Services Council; and
7. the Texas Council on Autism and Pervasive
   Developmental Disorders.

(b) The following state agency and entity are abolished on a
date that is within the period prescribed by Section 531.02001(2),
that is specified in the transition plan required under Section
531.0204 for the abolition of the state agency or entity, and that
occurs after all of the state agency's or entity's functions have
been transferred to the commission in accordance with Sections
531.0201 and 531.02011:
(1) the Department of Aging and Disability Services;
and
(2) the Office for the Prevention of Developmental Disabilities.

(c) The abolition of a state agency or entity listed in Subsection (a) or (b) and the transfer of its functions and related obligations, rights, contracts, records, property, and funds as provided by this subchapter and the transfer of functions and related obligations, rights, contracts, records, property, and funds to or from the Department of Family and Protective Services and from the Department of State Health Services as provided by this subchapter do not affect or impair an act done, any obligation, right, order, permit, certificate, rule, criterion, standard, or requirement existing, or any penalty accrued under former law, and that law remains in effect for any action concerning those matters.

Sec. 531.0203. HEALTH AND HUMAN SERVICES TRANSITION LEGISLATIVE OVERSIGHT COMMITTEE. (a) In this section, "committee" means the Health and Human Services Transition Legislative Oversight Committee established under this section.

(b) The Health and Human Services Transition Legislative Oversight Committee is created to facilitate the transfer of functions under Sections 531.0201, 531.02011, and 531.02012 with minimal negative effect on the delivery of services to which those functions relate.

(c) The committee is composed of 11 voting members, as follows:

(1) four members of the senate, appointed by the
lieutenant governor;

(2) four members of the house of representatives, appointed by the speaker of the house of representatives; and

(3) three members of the public, appointed by the governor.

(d) The executive commissioner serves as an ex officio, nonvoting member of the committee.

(e) A member of the committee serves at the pleasure of the appointing official.

(f) The lieutenant governor and the speaker of the house of representatives shall each designate a presiding co-chair from among their respective appointments.

(g) A member of the committee may not receive compensation for serving on the committee but is entitled to reimbursement for travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

(h) The committee shall:

(1) facilitate the transfer of functions under Sections 531.0201, 531.02011, and 531.02012 with minimal negative effect on the delivery of services to which those functions relate;

(2) with assistance from the commission and the state agencies and entities from which functions are transferred under Sections 531.0201, 531.02011, and 531.02012, advise the executive commissioner concerning:

(A) the functions to be transferred under this subchapter and the funds and obligations that are related to the
functions;

(B) the transfer of the functions and related
records, property, funds, and obligations by the state agencies and
entities as provided by this subchapter; and

(C) the reorganization of the commission's
administrative structure in accordance with this subchapter,
Sections 531.0055, 531.00553, 531.00561, 531.00562, and 531.008,
and other provisions enacted by the 84th Legislature that become
law; and

(3) meet:

(A) during the period between the establishment
of the committee and September 1, 2017, at least quarterly at the
call of either chair, in addition to meeting at other times as
determined appropriate by either chair;

(B) during the period between September 2, 2017,
and December 31, 2019, at least semiannually at the call of either
chair, in addition to meeting at other times as determined
appropriate by either chair; and

(C) during the period between January 1, 2020,
and August 31, 2023, at least annually at the call of either chair,
in addition to meeting at other times as determined appropriate by
either chair.

(i) Chapter 551 applies to the committee.

(j) The committee shall submit a report to the governor,
lieutenant governor, speaker of the house of representatives, and
legislature not later than December 1 of each even-numbered year.
The report must include an update on the progress of and issues
related to:

(1) the transfer of functions under Sections 531.0201, 531.02011, and 531.02012 to the commission and the Department of Family and Protective Services, including the need for any additional statutory changes required to complete the transfer of prevention and early intervention services functions to the department in accordance with this subchapter; and

(2) the reorganization of the commission's administrative structure in accordance with this subchapter, Sections 531.0055, 531.00553, 531.00561, 531.00562, and 531.008, and other provisions enacted by the 84th Legislature that become law.

(k) The committee is abolished September 1, 2023.

Sec. 531.02031. STUDY ON CONTINUING NEED FOR CERTAIN STATE AGENCIES. (a) Not later than September 1, 2018, the executive commissioner shall conduct a study and submit a report and recommendation to the Health and Human Services Transition Legislative Oversight Committee regarding the need to continue the Department of Family and Protective Services and the Department of State Health Services as state agencies separate from the commission.

(b) Not later than December 1, 2018, the Health and Human Services Transition Legislative Oversight Committee shall review the report and recommendation submitted under Subsection (a) and submit a report and recommendation to the legislature regarding the need to continue the Department of Family and Protective Services and the Department of State Health Services as state agencies
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(c) The Health and Human Services Transition Legislative Oversight Committee shall include the following in the report submitted to the legislature under Subsection (b):

(1) an evaluation of the transfer of prevention and early intervention services functions to the Department of Family and Protective Services as provided by this subchapter, including an evaluation of:

(A) any increased coordination and efficiency in the operation of the programs achieved as a result of the transfer;

(B) the department's coordination with other state agency programs providing similar prevention and early intervention services; and

(C) the department's interaction with stakeholders and other interested parties in performing the department's functions; and

(2) any recommendations concerning the transfer of prevention and early intervention services functions of the department to another state agency.

Sec. 531.0204. TRANSITION PLAN FOR IMPLEMENTATION OF CONSOLIDATION. (a) The transfers of functions under Sections 531.0201, 531.02011, and 531.02012 must be accomplished in accordance with a transition plan developed by the executive commissioner that ensures that the transfers and provision of health and human services in this state are accomplished in a careful and deliberative manner. The transition plan must:

(1) include an outline of the commission's reorganized
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structure, including its divisions, in accordance with this subchapter, Sections 531.00561, 531.00562, and 531.008, and other provisions enacted by the 84th Legislature that become law;

(2) include details regarding movement of functions and a timeline that, subject to the periods prescribed by Section 531.02001, specifies the dates on which:

(A) the transfers under Sections 531.0201, 531.02011, and 531.02012 are to be made;

(B) each state agency or entity subject to abolition under Section 531.0202 is abolished; and

(C) each division of the commission is created and the division's director is appointed;

(3) for purposes of Sections 531.0201, 531.02011, and 531.02013, define:

(A) client services functions;

(B) regulatory functions;

(C) public health functions; and

(D) functions related to:

(i) state-operated institutions;

(ii) child protective services;

(iii) adult protective services; and

(iv) prevention and early intervention services; and

(4) include an evaluation and determination of the feasibility and potential effectiveness of consolidating administrative support services into the commission in accordance with Section 531.02012, including a report of:
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(A) the specific support services that will be consolidated within the commission;

(B) a timeline that details when specific support services will be consolidated, including a description of the support services that will transfer by the last day of each period prescribed by Section 531.02001; and

(C) measures the commission will take to ensure information resources and contracting support services continue to operate properly across the health and human services system under any consolidation of administrative support services.

(b) In defining the transferred functions under Subsection (a)(3), the executive commissioner shall ensure that:

(1) not later than the last day of the period prescribed by Section 531.02001(1), all functions of a state agency or entity subject to abolition under Section 531.0202(a) are transferred to the commission or the Department of Family and Protective Services, as applicable;

(2) the transferred prevention and early intervention services functions to the Department of Family and Protective Services include:

(A) prevention and early intervention services as defined under Section 265.001, Family Code; and

(B) programs that:

(i) provide parent education;

(ii) promote healthier parent-child relationships; or

(iii) prevent family violence; and
(3) not later than the last day of the period prescribed by Section 531.02001(2), all functions of the state agency and entity subject to abolition under Section 531.0202(b) are transferred to the commission.

(c) In developing the transition plan, the executive commissioner shall, before submitting the plan to the Health and Human Services Transition Legislative Oversight Committee, the governor, and the Legislative Budget Board as required by Subsection (e):

(1) hold public hearings in various geographic areas in this state regarding the plan; and

(2) solicit and consider input from appropriate stakeholders.

(d) Within the periods prescribed by Section 531.02001:

(1) the commission shall begin administering the respective functions assigned to the commission under Sections 531.0201 and 531.02011, as applicable; and

(2) the Department of Family and Protective Services shall begin administering the functions assigned to the department under Section 531.0201.

(d-1) The assumption of the administration of the functions transferred to the commission and the Department of Family and Protective Services under Sections 531.0201 and 531.02011, as applicable, must be accomplished in accordance with the transition plan.

(e) The executive commissioner shall submit the transition plan to the Health and Human Services Transition Legislative
Oversight Committee, the governor, and the Legislative Budget Board not later than March 1, 2016. The Health and Human Services Transition Legislative Oversight Committee shall comment on and make recommendations to the executive commissioner regarding any concerns or adjustments to the transition plan the committee determines appropriate. The executive commissioner may not finalize the transition plan until the executive commissioner has reviewed and considered the comments and recommendations of the committee regarding the transition plan.

(f) The executive commissioner shall publish in the Texas Register:

(1) the transition plan developed under this section;

(2) any adjustments to the transition plan recommended by the Health and Human Services Transition Legislative Oversight Committee;

(3) a statement regarding whether the executive commissioner adopted or otherwise incorporated the recommended adjustments; and

(4) if the executive commissioner did not adopt a recommended adjustment, the justification for not adopting the adjustment.

Sec. 531.02041. REQUIRED REPORTS AFTER TRANSITION PLAN SUBMISSION. If, at any time after the executive commissioner submits the transition plan in accordance with Section 531.0204(e), the executive commissioner proposes to make a substantial organizational change to the health and human services system that was not included in the transition plan, the executive commissioner
shall, before implementing the proposed change, submit a report
detailing the proposed change to the Health and Human Services
Transition Legislative Oversight Committee.

Sec. 531.0205. APPLICABILITY OF FORMER LAW. An action
brought or proceeding commenced before the date of a transfer
prescribed by this subchapter in accordance with the transition
plan required under Section 531.0204, including a contested case or
a remand of an action or proceeding by a reviewing court, is
governed by the laws and rules applicable to the action or
proceeding before the transfer.

Sec. 531.0206. LIMITED-SCOPE SUNSET REVIEW. (a) The
Sunset Advisory Commission shall conduct a limited-scope review of
the commission during the state fiscal biennium ending August 31,
2023, in the manner provided by Chapter 325 (Texas Sunset Act). The
review must provide:

(1) an update on the commission's progress with
respect to the consolidation of the health and human services
system mandated by this subchapter, including the commission's
compliance with the transition plan required under Section
531.0204;

(2) an evaluation and recommendations regarding the
need to continue the Department of Family and Protective Services
and the Department of State Health Services as state agencies
separate from the commission; and

(3) any additional information the Sunset Advisory
Commission determines appropriate, including information regarding
any additional organizational changes the Sunset Advisory
Commission recommends.

(b) The commission is not abolished solely because the commission is not explicitly continued following the review required by this section.

Sec. 531.0207. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2023.

(b) Not later than October 1, 2015:

(1) the lieutenant governor, the speaker of the house of representatives, and the governor shall make the appointments to the Health and Human Services Transition Legislative Oversight Committee as required by Section 531.0203(c), Government Code, as added by this article; and

(2) the lieutenant governor and the speaker of the house of representatives shall each designate a presiding co-chair of the Health and Human Services Transition Legislative Oversight Committee in accordance with Section 531.0203(f), Government Code, as added by this article.

(c) As soon as appropriate under the consolidation under Subchapter A-1, Chapter 531, Government Code, as added by this article, and in a manner that minimizes disruption of services, the Health and Human Services Commission shall take appropriate action to be designated as the state agency responsible under federal law for any state or federal program that is transferred to the commission in accordance with that subchapter and for which federal law requires the designation of a responsible state agency.

(d) Notwithstanding Section 531.0201, 531.02011, or 531.02012, Government Code, as added by this article, a power,
duty, program, function, or activity of the Department of Assistive and Rehabilitative Services may not be transferred to the Health and Human Services Commission under that section if:

(1) H.B. No. 3294 or S.B. No. 208, 84th Legislature, Regular Session, 2015, or similar legislation of the 84th Legislature, Regular Session, 2015, is enacted, becomes law, and provides for the transfer of the power, duty, program, function, or activity to the Texas Workforce Commission subject to receipt of any necessary federal approval or other authorization for the transfer to occur; and

(2) the Department of Assistive and Rehabilitative Services or the Texas Workforce Commission receives the necessary federal approval or other authorization to enable the transfer to occur not later than September 1, 2016.

(e) If neither the Department of Assistive and Rehabilitative Services nor the Texas Workforce Commission receives the federal approval or other authorization described by Subsection (d) of this section to enable the transfer of the power, duty, program, function, or activity to the Texas Workforce Commission to occur not later than September 1, 2016, as provided by the legislation described by Subsection (d) of this section, the power, duty, program, function, or activity of the Department of Assistive and Rehabilitative Services transfers to the Health and Human Services Commission in accordance with Section 531.0201, Government Code, as added by this article, and the transition plan required under Section 531.0204, Government Code, as added by this article.
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SECTION 1.02. Subchapter A, Chapter 531, Government Code,  
is amended by adding Sections 531.0011 and 531.0012 to read as  
follows:

Sec. 531.0011. REFERENCES IN LAW MEANING COMMISSION OR  
APPROPRIATE DIVISION. (a) In this code or in any other law, a  
reference to any of the following state agencies or entities in  
relation to a function transferred to the commission under Section  
531.0201, 531.02011, or 531.02012, as applicable, means the  
commission or the division of the commission performing the  
function previously performed by the state agency or entity before  
the transfer, as appropriate:

(1) health and human services agency;  
(2) the Department of State Health Services;  
(3) the Department of Aging and Disability Services;  
(4) the Department of Family and Protective Services;  
or  
(5) the Department of Assistive and Rehabilitative  
Services.

(b) In this code or in any other law and notwithstanding any  
other law, a reference to any of the following state agencies or  
entities in relation to a function transferred to the commission  
under Section 531.0201, 531.02011, or 531.02012, as applicable,  
from the state agency that assumed the relevant function in  
accordance with Chapter 198 (H.B. 2292), Acts of the 78th  
Legislature, Regular Session, 2003, means the commission or the  
division of the commission performing the function previously  
performed by the agency that assumed the function before the
transfer, as appropriate:

(1) the Texas Department on Aging;

(2) the Texas Commission on Alcohol and Drug Abuse;

(3) the Texas Commission for the Blind;

(4) the Texas Commission for the Deaf and Hard of
Hearing;

(5) the Texas Department of Health;

(6) the Texas Department of Human Services;

(7) the Texas Department of Mental Health and Mental
Retardation;

(8) the Texas Rehabilitation Commission;

(9) the Texas Health Care Information Council; or

(10) the Interagency Council on Early Childhood
Intervention.

(c) In this code or in any other law and notwithstanding any
other law, a reference to the Department of Protective and
Regulatory Services in relation to a function transferred under
Section 531.0201, 531.02011, or 531.02012, as applicable, from the
Department of Family and Protective Services means the commission
or the division of the commission performing the function
previously performed by the Department of Family and Protective
Services before the transfer.

(d) This section applies notwithstanding Section
531.001(4).

Sec. 531.0012. REFERENCES IN LAW MEANING EXECUTIVE
COMMISSIONER OR DESIGNEE. (a) In this code or in any other law, a
reference to any of the following persons in relation to a function
transferred to the commission under Section 531.0201, 531.02011, or 531.02012, as applicable, means the executive commissioner, the executive commissioner's designee, or the director of the division of the commission performing the function previously performed by the state agency from which it was transferred and that the person represented, as appropriate:

(1) the commissioner of aging and disability services;
(2) the commissioner of assistive and rehabilitative services;
(3) the commissioner of state health services; or
(4) the commissioner of the Department of Family and Protective Services.

(b) In this code or in any other law and notwithstanding any other law, a reference to any of the following persons or entities in relation to a function transferred to the commission under Section 531.0201, 531.02011, or 531.02012, as applicable, from the state agency that assumed or continued to perform the function in accordance with Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, means the executive commissioner or the director of the division of the commission performing the function performed before the enactment of Chapter 198 (H.B. 2292) by the state agency that was abolished or renamed by Chapter 198 (H.B. 2292) and that the person or entity represented:

(1) an executive director or other chief administrative officer of a state agency listed in Section 531.0011(b) or of the Department of Protective and Regulatory Services; or
(2) the governing body of a state agency listed in Section 531.0011(b) or of the Department of Protective and Regulatory Services.

(c) A reference to any of the following councils means the executive commissioner or the executive commissioner's designee, as appropriate, and a function of any of the following councils is a function of that appropriate person:

1. the Health and Human Services Council;
2. the Aging and Disability Services Council;
3. the Assistive and Rehabilitative Services Council;
4. the Family and Protective Services Council; or
5. the State Health Services Council.

SECTION 1.03. (a) Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0051 to read as follows:

Sec. 531.0051. HEALTH AND HUMAN SERVICES COMMISSION EXECUTIVE COUNCIL. (a) The Health and Human Services Commission Executive Council is established to receive public input and advise the executive commissioner regarding the operation of the commission. The council shall seek and receive public comment on:

1. proposed rules;
2. recommendations of advisory committees;
3. legislative appropriations requests or other documents related to the appropriations process;
4. the operation of health and human services programs; and
5. other items the executive commissioner determines
(b) The council does not have authority to make administrative or policy decisions.

(c) The council is composed of:

(1) the executive commissioner;

(2) the director of each division established by the executive commissioner under Section 531.008(c);

(3) the commissioner of a health and human services agency; and

(4) other individuals appointed by the executive commissioner as the executive commissioner determines necessary.

(c-1) To the extent the executive commissioner appoints members to the council under Subsection (c)(4), the executive commissioner shall make every effort to ensure that those appointments result in a council membership that includes:

(1) a balanced representation of a broad range of health and human services industry and consumer interests; and

(2) representation from broad geographic regions of this state.

(d) The executive commissioner serves as the chair of the council and shall adopt rules for the operation of the council.

(e) Members of the council appointed under Subsection (c)(4):

(1) are subject to the restrictions applicable to service on the council provided by Section 531.006(a-1); and

(2) serve at the pleasure of the executive commissioner.
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(f) The council shall meet at the call of the executive commissioner at least quarterly. The executive commissioner may call additional meetings as the executive commissioner determines necessary.

(g) The council shall give public notice of the date, time, and place of each meeting held by the council. A live video transmission of each meeting must be publicly available through the Internet.

(h) A majority of the members of the council constitute a quorum for the transaction of business.

(i) A council member appointed under Subsection (c)(4) may not receive compensation for service as a member of the council but is entitled to reimbursement for travel expenses incurred by the member while conducting the business of the council as provided by the General Appropriations Act.

(j) The executive commissioner shall develop and implement policies that provide the public with a reasonable opportunity to appear before the council which may include holding meetings in various geographic areas across this state, or through allowing public comment at teleconferencing centers in various geographic areas across this state and to speak on any issue under the jurisdiction of the commission.

(k) A meeting of individual members of the council that occurs in the ordinary course of commission operation is not a meeting of the council, and the requirements of Subsection (g) do not apply.

(l) This section does not limit the authority of the
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executive commissioner to establish additional advisory committees
or councils.

(m) Chapters 551 and 2110 do not apply to the council.

(b) As soon as possible after the executive commissioner of
the Health and Human Services Commission appoints division
directors in accordance with Section 531.00561, Government Code, as
added by this article, the Health and Human Services Commission
Executive Council established under Section 531.0051, Government
Code, as added by this article, shall begin operation.

SECTION 1.04. The heading to Section 531.0055, Government
Code, is amended to read as follows:

Sec. 531.0055. EXECUTIVE COMMISSIONER: GENERAL
RESPONSIBILITY FOR HEALTH AND HUMAN SERVICES SYSTEM [AGENCIES].

SECTION 1.05. Section 531.0055, Government Code, is amended
by amending Subsection (b), as amended by S.B. 219, Acts of the 84th
Legislature, Regular Session, 2015, and amending Subsections (d),
(e), (f), (g), (h), (k), and (l) to read as follows:

(b) The commission shall:

(1) supervise the administration and operation of
Medicaid, including the administration and operation of the
Medicaid managed care system in accordance with Section 531.021;

(2) perform information systems planning and
management for the health and human services system [agencies]
under Section 531.0273, with:

(A) the provision of information technology
services for the [at] health and human services system [agencies]
considered to be a centralized administrative support service
either performed by commission personnel or performed under a contract with the commission; and

(B) an emphasis on research and implementation on a demonstration or pilot basis of appropriate and efficient uses of new and existing technology to improve the operation of the health and human services system and delivery of health and human services;

(3) monitor and ensure the effective use of all federal funds received for the health and human services system in accordance with Section 531.028 and the General Appropriations Act;

(4) implement Texas Integrated Enrollment Services as required by Subchapter F, except that notwithstanding Subchapter F, determining eligibility for benefits under the following programs is the responsibility of and must be centralized by the commission:

(A) the child health plan program;

(B) the financial assistance program under Chapter 31, Human Resources Code;

(C) Medicaid;

(D) the supplemental nutrition assistance program under Chapter 33, Human Resources Code;

(E) long-term care services, as defined by Section 22.0011, Human Resources Code;

(F) community-based support services identified or provided in accordance with Section 531.02481; and

(G) other health and human services programs, as appropriate; and
(5) implement programs intended to prevent family violence and provide services to victims of family violence.

(d) After implementation of the commission's duties under Subsections (b) and (c), the commission shall implement the powers and duties given to the commission under Section 531.0248. Nothing in the priorities established by this section is intended to limit the authority of the commission to work simultaneously to achieve the multiple tasks assigned to the commission in this section, when such an approach is beneficial in the judgment of the commission.

The commission shall plan and implement an efficient and effective centralized system of administrative support services for the health and human services system in accordance with Section 531.00553 [agencies]. [The performance of administrative support services for health and human services agencies is the responsibility of the commission. The term "administrative support services" includes, but is not limited to, strategic planning and evaluation, audit, legal, human resources, information resources, purchasing, contract management, financial management, and accounting services.]

(e) Notwithstanding any other law, the executive commissioner shall adopt rules and policies for the operation of and provision of health and human services by the health and human services system [agencies]. In addition, the executive commissioner, as necessary to perform the functions described by Subsections (b), (c), and (d) and Section 531.00553 in implementation of applicable policies established for a health and human services system [agency or division, as applicable, by
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the executive commissioner, shall:

(1) manage and direct the operations of each [health
and human services] agency or division, as applicable;

(2) supervise and direct the activities of each agency
or division director, as applicable; and

(3) be responsible for the administrative supervision
of the internal audit program for the [a-1-1] health and human
services system agencies, including:

(A) selecting the director of internal audit;

(B) ensuring that the director of internal audit
reports directly to the executive commissioner; and

(C) ensuring the independence of the internal
audit function.

(f) The operational authority and responsibility of the
executive commissioner for purposes of Subsection (e) for [a-1] each
health and human services system agency or division, as applicable,
includes authority over and responsibility for the:

(1) management of the daily operations of the agency
or division, including the organization and management of the
agency or division and its [agency] operating procedures;

(2) allocation of resources within the agency or
division, including use of federal funds received by the agency or
division;

(3) personnel and employment policies;

(4) contracting, purchasing, and related policies,
subject to this chapter and other laws relating to contracting and
purchasing by a state agency;
(5) information resources systems used by the agency or division;
(6) location of [agency] facilities; and
(7) coordination of agency or division activities with activities of other components of the health and human services system and state agencies[,] including other health and human services agencies].

(g) Notwithstanding any other law, the operational authority and responsibility of the executive commissioner for purposes of Subsection (e) for [at] each health and human services system agency or division, as applicable, includes the authority and responsibility to adopt or approve, subject to applicable limitations, any rate of payment or similar provision required by law to be adopted or approved by a health and human services system [the] agency.

(h) For each health and human services system agency and division, as applicable, the executive commissioner shall implement a program to evaluate and supervise [the] daily operations [of the agency]. The program must include measurable performance objectives for each agency or division director and adequate reporting requirements to permit the executive commissioner to perform the duties assigned to the executive commissioner under this section.

(k) The executive commissioner and each agency director shall enter into a memorandum of understanding in the manner prescribed by Section 531.0163 that:

(1) clearly defines the responsibilities of the agency
director and the executive commissioner, including:

(A) the responsibility of the agency director to report to the governor and to report to and implement policies of the executive commissioner; and

(B) the extent to which the agency director acts as a liaison between the agency and the commission;

(2) establishes the program of evaluation and supervision of daily operations required by Subsection (h); [and]

(3) describes each delegation of a power or duty made to an agency director; and

(4) ensures that the commission and each health and human services agency has access to databases or other information maintained or kept by each other agency that is necessary for the operation of a function performed by the commission or the health and human services agency, to the extent not prohibited by other law [under Subsection (i) or other law].

(1) Notwithstanding any other law, the executive commissioner has the authority to adopt policies and rules governing the delivery of services to persons who are served by the [each] health and human services system [agency] and the rights and duties of persons who are served or regulated by the system [each agency].

SECTION 1.06. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.00553 to read as follows:

Sec. 531.00553. ADMINISTRATIVE SUPPORT SERVICES. (a) In this section, the term "administrative support services" includes strategic planning and evaluation, audit, legal, human resources,
information resources, purchasing, contracting, financial
management, and accounting services.

(b) Subject to Subsection (c), the executive commissioner
shall plan and implement an efficient and effective centralized
system of administrative support services for the health and human
services system. The performance of administrative support
services for the health and human services system is the
responsibility of the commission.

(c) The executive commissioner shall plan and implement the
centralized system of administrative support services in
accordance with the following principles and requirements:

(1) the executive commissioner shall consult with the
commissioner of each agency and with the director of each division
within the health and human services system to ensure the
commission is responsive to and addresses agency or division needs;

(2) consolidation of staff providing the support
services must be done in a manner that ensures each agency or
division within the health and human services system that loses
staff as a result of the centralization of support services has
adequate resources to carry out functions of the agency or
division, as appropriate; and

(3) the commission and each agency or division within
the health and human services system shall, as appropriate, enter
into a memorandum of understanding or other written agreement for
the purpose of ensuring accountability for the provision of
administrative services by clearly detailing:

(A) the responsibilities of each agency or
division and the commission;

(B) the points of contact for each agency or
division and the commission;

(C) the transfer of personnel among each agency
or division and the commission;

(D) the budgetary effect the agreement has on
each agency or division and the commission; and

(E) any other item determined by the executive
commissioner to be critical for maintaining accountability.

(d) The memorandum of understanding or other agreement
required under Subsection (c), if appropriate, may be combined with
the memorandum of understanding required under Section
531.0055(k).

SECTION 1.07. Section 531.0056, Government Code, is amended
by adding Subsection (g) to read as follows:

(g) The requirements of this section apply with respect to a
state agency listed in Section 531.001(4) only until the agency is
abolished under Section 531.0202.

SECTION 1.08. (a) Subchapter A, Chapter 531, Government
Code, is amended by adding Sections 531.00561 and 531.00562 to read
as follows:

Sec. 531.00561. APPOINTMENT AND QUALIFICATIONS OF DIVISION
DIRECTORS. (a) The executive commissioner shall appoint a
director for each division established within the commission under
Section 531.008, except that the director of the office of
inspector general is appointed in accordance with Section
531.102(a-1).
(b) The executive commissioner shall:

(1) develop clear qualifications for the director of each division appointed under this section that ensure that an individual appointed director has:

   (A) demonstrated experience in fields relevant to the director position; and

   (B) executive-level administrative and leadership experience; and

   (2) ensure the qualifications developed under Subdivision (1) are publicly available.

Sec. 531.00562. DIVISION DIRECTOR DUTIES. (a) The executive commissioner shall clearly define the duties and responsibilities of a division director and develop clear policies for the delegation of specific decision-making authority, including budget authority, to division directors.

(b) The delegation of decision-making authority should be significant enough to ensure the efficient administration of the commission's programs and services.

(b) The executive commissioner of the Health and Human Services Commission shall implement Sections 531.00561 and 531.00562, Government Code, as added by this article, on the date specified in the transition plan required under Section 531.0204, Government Code, as added by this article.

SECTION 1.09. (a) Section 531.008, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.008. DIVISIONS OF COMMISSION. (a) The subject
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to Subsection (e), the executive commissioner shall establish divisions within the commission along functional lines as necessary for effective administration and for the discharge of the commission's functions.

(b) The executive commissioner may allocate and reallocate functions among the commission’s divisions.

(c) Notwithstanding Subsections (a) and (b), the executive commissioner shall establish the following divisions and offices within the commission:

(1) a medical and social services division or eligibility services division to make eligibility determinations for services provided through the commission or a health and human services agency related to:

[(A) the child health plan program,
(B) the financial assistance program under Chapter 31, Human Resources Code,
(C) Medicaid,
(D) the supplemental nutrition assistance program under Chapter 33, Human Resources Code,
(E) long-term care services, as defined by Section 22.0011, Human Resources Code,
(F) community-based support services identified or provided in accordance with Section 531.02481, and
(G) other health and human services programs, as appropriate];

(2) the office of inspector general to perform fraud
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and abuse investigation and enforcement functions as provided by Subchapter C and other law;

(3) a regulatory division [the office of the ombudsman to]

(A) provide dispute resolution services for the commission and the health and human services agencies; and

(B) perform consumer protection functions related to health and human services;

(4) an administrative division [a purchasing division as provided by Section 531.017]; and

(5) a facilities division for the purpose of administering state facilities, including state hospitals and state supported living centers [an internal audit division to conduct a program of internal auditing in accordance with Chapter 2102].

(d) Subsection (c) does not prohibit the executive commissioner from establishing additional divisions under Subsection (a) as the executive commissioner determines appropriate. This subsection and Subsection (c) expire September 1, 2023.

(b) The executive commissioner of the Health and Human Services Commission shall establish divisions within the commission as required under Section 531.008, Government Code, as amended by this article, on the date specified in the transition plan required under Section 531.0204, Government Code, as added by this article.

SECTION 1.10. (a) Subchapter A, Chapter 531, Government
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Code, is amended by adding Section 531.0083 to read as follows:

Sec. 531.0083. OFFICE OF POLICY AND PERFORMANCE. (a) In this section, "office" means the office of policy and performance established by this section.

(b) The executive commissioner shall establish the office of policy and performance as an executive-level office designed to coordinate policy and performance efforts across the health and human services system. To coordinate those efforts, the office shall:

1. develop a performance management system;
2. take the lead in supporting and providing oversight for the implementation of major policy changes and in managing organizational changes; and
3. act as a centralized body of experts within the commission that offers program evaluation and process improvement expertise.

(c) In developing a performance management system under Subsection (b)(1), the office shall:

1. gather, measure, and evaluate performance measures and accountability systems used by the health and human services system;
2. develop new and refined performance measures as appropriate; and
3. establish targeted, high-level system metrics that are capable of measuring and communicating overall performance and achievement of goals by the health and human services system to both internal and public audiences through various mechanisms.
including the Internet.

(d) In providing support and oversight for the implementation of policy or organizational changes within the health and human services system under Subsection (b)(2), the office shall:

(1) ensure individuals receiving services from or participating in programs administered through the health and human services system do not lose visibility or attention during the implementation of any new policy or organizational change by:

(A) establishing timelines and milestones for any transition;

(B) supporting staff of the health and human services system in any change between service delivery methods; and

(C) providing feedback to executive management on technical assistance and other support needed to achieve a successful transition;

(2) address cultural differences among staff of the health and human services system; and

(3) track and oversee changes in policy or organization mandated by legislation or administrative rule.

(e) In acting as a centralized body of experts under Subsection (b)(3), the office shall:

(1) for the health and human services system, provide program evaluation and process improvement guidance both generally and for specific projects identified with executive or stakeholder input or through risk analysis; and

(2) identify and monitor cross-functional efforts
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involving different administrative components within the health
and human services system and the establishment of cross-functional
teams when necessary to improve the coordination of services
provided through the system.

(f) The executive commissioner may otherwise develop the
office's structure and duties as the executive commissioner
determines appropriate.

(b) As soon as practicable after the effective date of this
article but not later than October 1, 2015, the executive
commissioner of the Health and Human Services Commission shall
establish the office of policy and performance as an executive
office within the commission as required under Section 531.0083,
Government Code, as added by this article.

(c) The office of policy and performance required under
Section 531.0083, Government Code, as added by this article, shall
assist the Health and Human Services Transition Legislative
Oversight Committee created under Section 531.0203, Government
Code, as added by this article, by performing the functions
required of the office under Section 531.0083(b)(2), Government
Code, as added by this article, with respect to the consolidation
mandated by Subchapter A-1, Chapter 531, Government Code, as added
by this article.

SECTION 1.11. Section 531.017, Government Code, is amended
to read as follows:

Sec. 531.017. PURCHASING UNIT [DIVISION]. (a) The
commission shall establish a purchasing unit [division] for the
management of administrative activities related to the purchasing
functions within [of the commission and] the health and human services system [agencies].

(b) The purchasing unit [division] shall:

(1) seek to achieve targeted cost reductions, increase process efficiencies, improve technological support and customer services, and enhance purchasing support within the [for each] health and human services system [agency]; and

(2) if cost-effective, contract with private entities to perform purchasing functions for the [commission and the] health and human services system [agencies].

SECTION 1.12. Chapter 265, Family Code, is amended by designating Sections 265.001 through 265.004 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. PREVENTION AND EARLY INTERVENTION SERVICES

SECTION 1.13. Section 265.002, Family Code, is amended to read as follows:

Sec. 265.002. PREVENTION AND EARLY INTERVENTION SERVICES DIVISION. (a) The department shall operate a division to provide services for children in at-risk situations and for the families of those children and to achieve the consolidation of prevention and early intervention services within the jurisdiction of a single agency in order to avoid fragmentation and duplication of services and to increase the accountability for the delivery and administration of these services. The division shall be called the prevention and early intervention services division and shall have the following duties:

(1) to plan, develop, and administer a comprehensive
and unified delivery system of prevention and early intervention services to children and their families in at-risk situations;
(2) to improve the responsiveness of services for at-risk children and their families by facilitating greater coordination and flexibility in the use of funds by state and local service providers;
(3) to provide greater accountability for prevention and early intervention services in order to demonstrate the impact or public benefit of a program by adopting outcome measures; and
(4) to assist local communities in the coordination and development of prevention and early intervention services in order to maximize federal, state, and local resources.
(b) The department's prevention and early intervention services division must be organizationally separate from the department's divisions performing child protective services and adult protective services functions.
SECTION 1.14. Subchapter A, Chapter 265, Family Code, as added by this article, is amended by adding Section 265.006 to read as follows:
Sec. 265.006. PROHIBITION ON USE OF AGENCY NAME OR LOGO. The department may not allow the use of the department's name or identifying logo or insignia on forms or other materials related to the department's prevention and early intervention services that are:
(1) provided by the department's contractors; or
(2) distributed by the department's contractors to the department's clients.
SECTION 1.15. (a) Subchapter Q, Chapter 531, Government Code, including provisions amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is transferred to Chapter 265, Family Code, redesignated as Subchapter C, Chapter 265, Family Code, and amended to read as follows:

SUBCHAPTER C [2]. NURSE-FAMILY PARTNERSHIP COMPETITIVE GRANT PROGRAM

Sec. 265.101 [531.651]. DEFINITIONS. In this subchapter:

(1) "Competitive grant program" means the nurse-family partnership competitive grant program established under this subchapter.

(2) "Partnership program" means a nurse-family partnership program.

Sec. 265.102 [531.652]. OPERATION OF NURSE-FAMILY PARTNERSHIP COMPETITIVE GRANT PROGRAM. (a) The department [commission] shall operate a nurse-family partnership competitive grant program through which the department [commission] will award grants for the implementation of nurse-family partnership programs, or the expansion of existing programs, and for the operation of those programs for a period of not less than two years.

(b) The department [commission] shall award grants under the program to applicants, including applicants operating existing programs, in a manner that ensures that the partnership programs collectively:

(1) operate in multiple communities that are geographically distributed throughout this state; and

(2) provide program services to approximately 2,000
families.

Sec. 265.103 [531.653]. PARTNERSHIP PROGRAM REQUIREMENTS. A partnership program funded through a grant awarded under this subchapter must:

(1) strictly adhere to the program model developed by the Nurse-Family Partnership National Service Office, including any clinical, programmatic, and data collection requirements of that model;

(2) require that registered nurses regularly visit the homes of low-income, first-time mothers participating in the program to provide services designed to:

(A) improve pregnancy outcomes;

(B) improve child health and development;

(C) improve family economic self-sufficiency and stability; and

(D) reduce the incidence of child abuse and neglect;

(3) require that nurses who provide services through the program:

(A) receive training from the office of the attorney general at least once each year on procedures by which a person may voluntarily acknowledge the paternity of a child and on the availability of child support services from the office;

(B) provide a mother with information about the rights, responsibilities, and benefits of establishing the paternity of her child, if appropriate;

(C) provide assistance to a mother and the
alleged father of her child if the mother and alleged father seek to
voluntarily acknowledge paternity of the child, if appropriate; and

(D) provide information to a mother about the
availability of child support services from the office of the
attorney general; and

(4) require that the regular nurse visits described by
Subdivision (2) begin not later than a mother's 28th week of
gestation and end when her child reaches two years of age.

Sec. 265.104 [531.654]. APPLICATION. (a) 'A public or
private entity, including a county, municipality, or other
political subdivision of this state, may apply for a grant under
this subchapter.

(b) To apply for a grant, an applicant must submit a written
application to the department [commission] on a form prescribed by
the department [commission] in consultation with the Nurse-Family
Partnership National Service Office.

(c) The application prescribed by the department
[commission] must:

(1) require the applicant to provide data on the
number of low-income, first-time mothers residing in the community
in which the applicant proposes to operate or expand a partnership
program and provide a description of existing services available to
those mothers;

(2) describe the ongoing monitoring and evaluation
process to which a grant recipient is subject under Section 265.109
[531.659], including the recipient's obligation to collect and
provide information requested by the department [commission] under
Section 265.109(c) [531.659(e)]; and

(3) require the applicant to provide other relevant information as determined by the department [commission].

Sec. 265.105 [531.655]. ADDITIONAL CONSIDERATIONS IN AWARDING GRANTS. In addition to the factors described by Sections 265.102(b) [531.652(b)] and 265.103 [531.653], in determining whether to award a grant to an applicant under this subchapter, the department [commission] shall consider:

(1) the demonstrated need for a partnership program in the community in which the applicant proposes to operate or expand the program, which may be determined by considering:

(A) the poverty rate, the crime rate, the number of births to Medicaid recipients, the rate of poor birth outcomes, and the incidence of child abuse and neglect during a prescribed period in the community; and

(B) the need to enhance school readiness in the community;

(2) the applicant's ability to participate in ongoing monitoring and performance evaluations under Section 265.109 [531.659], including the applicant's ability to collect and provide information requested by the department [commission] under Section 265.109(c) [531.659(e)];

(3) the applicant's ability to adhere to the partnership program standards adopted under Section 265.106 [531.656];

(4) the applicant's ability to develop broad-based community support for implementing or expanding a partnership
program, as applicable; and
(5) the applicant's history of developing and sustaining innovative, high-quality programs that meet the needs of families and communities.

Sec. 265.106 [531.656]. PARTNERSHIP PROGRAM STANDARDS. The executive commissioner, with the assistance of the Nurse-Family Partnership National Service Office, shall adopt standards for the partnership programs funded under this subchapter. The standards must adhere to the Nurse-Family Partnership National Service Office program model standards and guidelines that were developed in multiple, randomized clinical trials and have been tested and replicated in multiple communities.

Sec. 265.107 [531.657]. USE OF AWARDED GRANT FUNDS. The grant funds awarded under this subchapter may be used only to cover costs related to implementing or expanding and operating a partnership program, including costs related to:
(1) administering the program;
(2) training and managing registered nurses who participate in the program;
(3) paying the salaries and expenses of registered nurses who participate in the program;
(4) paying for facilities and equipment for the program; and
(5) paying for services provided by the Nurse-Family Partnership National Service Office to ensure a grant recipient adheres to the organization's program model.

Sec. 265.108 [531.658]. STATE NURSE CONSULTANT. Using
money appropriated for the competitive grant program, the
department shall hire or contract with a state nurse
consultant to assist grant recipients with implementing or
expanding and operating the partnership programs in the applicable
communities.

Sec. 265.109. PROGRAM MONITORING AND EVALUATION; ANNUAL COMMITTEE REPORTS. (a) The department, with
the assistance of the Nurse-Family Partnership National Service
Office, shall:

(1) adopt performance indicators that are designed to
measure a grant recipient's performance with respect to the
partnership program standards adopted by the executive
commissioner under Section 265.106;

(2) use the performance indicators to continuously
monitor and formally evaluate on an annual basis the performance of
each grant recipient; and

(3) prepare and submit an annual report, not later
than December 1 of each year, to the Senate Health and Human
Services Committee, or its successor, and the House Human Services
Committee, or its successor, regarding the performance of each
grant recipient during the preceding state fiscal year with respect
to providing partnership program services.

(b) The report required under Subsection (a)(3) must
include:

(1) the number of low-income, first-time mothers to
whom each grant recipient provided partnership program services
and, of that number, the number of mothers who established the
paternity of an alleged father as a result of services provided under the program;

(2) the extent to which each grant recipient made regular visits to mothers during the period described by Section 265.103(4) [531.653(4)]; and

(3) the extent to which each grant recipient adhered to the Nurse-Family Partnership National Service Office's program model, including the extent to which registered nurses:

(A) conducted home visitations comparable in frequency, duration, and content to those delivered in Nurse-Family Partnership National Service Office clinical trials; and

(B) assessed the health and well-being of mothers and children participating in the partnership programs in accordance with indicators of maternal, child, and family health defined by the department [commission] in consultation with the Nurse-Family Partnership National Service Office.

(c) On request, each grant recipient shall timely collect and provide data and any other information required by the department [commission] to monitor and evaluate the recipient or to prepare the report required by this section.

Sec. 265.110 [531.660]. COMPETITIVE GRANT PROGRAM FUNDING.

(a) The department [commission] shall actively seek and apply for any available federal funds, including federal Medicaid and Temporary Assistance for Needy Families (TANF) funds, to assist in financing the competitive grant program established under this subchapter.

(b) The department [commission] may use appropriated funds
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from the state government and may accept gifts, donations, and
grants of money from the federal government, local governments,
private corporations, or other persons to assist in financing the
competitive grant program.

(b) Notwithstanding the transfer of Subchapter Q, Chapter
531, Government Code, to Chapter 265, Family Code, and
redesignation as Subchapter C of that chapter, the Health and Human
Services Commission shall continue to administer the Nurse-Family
Partnership Competitive Grant Program under that subchapter until
the date the program transfers to the Department of Family and
Protective Services in accordance with Section 531.0201,
Government Code, as added by this article, and the transition plan
under Section 531.0204, Government Code, as added by this article.

SECTION 1.16. Effective September 1, 2017, Section
1001.002, Health and Safety Code, is amended to read as follows:

Sec. 1001.002. AGENCY AND AGENCY FUNCTIONS. (a) In this
section, "function" includes a power, duty, program, or activity
and an administrative support services function associated with the
power, duty, program, or activity, unless consolidated under
Section 531.02012, Government Code.

(b) The department is an agency of the state.

(c) In accordance with Subchapter A-1, Chapter 531,
Government Code, and notwithstanding any other law, the department
performs only functions related to public health, including health
care data collection and maintenance of the Texas Health Care
Information Collection program.

SECTION 1.17. Effective September 1, 2017, Subchapter A,
Chapter 1001, Health and Safety Code, is amended by adding Sections 1001.004 and 1001.005 to read as follows:

Sec. 1001.004. REFERENCES IN LAW MEANING DEPARTMENT. In this code or any other law, a reference to the department in relation to a function described by Section 1001.002(c) means the department. A reference in law to the department in relation to any other function has the meaning assigned by Section 531.0011, Government Code.

Sec. 1001.005. REFERENCES IN LAW MEANING COMMISSIONER OR DESIGNEE. In this code or in any other law, a reference to the commissioner in relation to a function described by Section 1001.002(c) means the commissioner. A reference in law to the commissioner in relation to any other function has the meaning assigned by Section 531.0012, Government Code.

SECTION 1.18. Effective September 1, 2017, Section 40.002(b), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b) Except as provided by Section 40.0025 [Notwithstanding any other law], the department shall:

(1) provide protective services for children and elderly persons and persons with disabilities, including investigations of alleged abuse, neglect, or exploitation in facilities of the Department of State Health Services and the Department of Aging and Disability Services or the successor agency for either of those agencies;

(2) provide family support and family preservation
services that respect the fundamental right of parents to control
the education and upbringing of their children;

(3) license, register, and enforce regulations
applicable to child-care facilities, child-care administrators,
and child-placing agency administrators; and

(4) implement and manage programs intended to provide
early intervention or prevent at-risk behaviors that lead to child
abuse, delinquency, running away, truancy, and dropping out of
school.

SECTION 1.19. Effective September 1, 2017, Subchapter A,
Chapter 40, Human Resources Code, is amended by adding Sections
40.0025, 40.0026, and 40.0027 to read as follows:

Sec. 40.0025. AGENCY FUNCTIONS. (a) In this section,
"function" includes a power, duty, program, or activity and an
administrative support services function associated with the
power, duty, program, or activity, unless consolidated under
Section 531.02012, Government Code.

(b) In accordance with Subchapter A-1, Chapter 531,
Government Code, and notwithstanding any other law, the department
performs only functions, including the statewide intake of reports
and other information, related to the following services:

(1) child protective services, including services
that are required by federal law to be provided by this state's
child welfare agency;

(2) adult protective services, other than
investigations of the alleged abuse, neglect, or exploitation of an
elderly person or person with a disability:
(A) in a facility operated, or in a facility or by a person licensed, certified, or registered, by a state agency; or
(B) by a provider that has contracted to provide home and community-based services; and
(3) prevention and early intervention services functions, including:
(A) prevention and early intervention services as defined under Section 265.001, Family Code; and
(B) programs that:
(i) provide parent education;
(ii) promote healthier parent-child relationships; or
(iii) prevent family violence.
Sec. 40.0026. REFERENCES IN LAW MEANING DEPARTMENT. In this code or any other law, a reference to the department in relation to a function described by Section 40.0025(b) means the department. A reference in law to the department in relation to any other function has the meaning assigned by Section 531.0011, Government Code.
Sec. 40.0027. REFERENCES IN LAW MEANING COMMISSIONER OR DESIGNEE. In this code or in any other law, a reference to the commissioner in relation to a function described by Section 40.0025(b) means the commissioner. A reference in law to the commissioner in relation to any other function has the meaning assigned by Section 531.0012, Government Code.
SECTION 1.20. Sections 40.0515(d) and (e), Human Resources Code, are amended to read as follows:
(d) A performance review conducted under Subsection (b)(3) is considered a performance evaluation for purposes of Section 40.032(c) of this code or Section 531.009(c), Government Code, as applicable. The department shall ensure that disciplinary or other corrective action is taken against a supervisor or other managerial employee who is required to conduct a performance evaluation for adult protective services personnel under Section 40.032(c) of this code or Section 531.009(c), Government Code, as applicable, or a performance review under Subsection (b)(3) and who fails to complete that evaluation or review in a timely manner.

(e) The annual performance evaluation required under Section 40.032(c) of this code or Section 531.009(c), Government Code, as applicable, of the performance of a supervisor in the adult protective services division must:

   (1) be performed by an appropriate program administrator; and

   (2) include:

       (A) an evaluation of the supervisor with respect to the job performance standards applicable to the supervisor's assigned duties; and

       (B) an evaluation of the supervisor with respect to the compliance of employees supervised by the supervisor with the job performance standards applicable to those employees' assigned duties.

SECTION 1.21. (a) The heading to Subchapter C, Chapter 112, Human Resources Code, is amended to read as follows:
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SUBCHAPTER C. [OFFICE FOR THE] PREVENTION OF DEVELOPMENTAL DISABILITIES

(b) Section 112.042, Human Resources Code, is amended by amending Subdivision (1) and adding Subdivisions (1-a) and (1-b) to read as follows:

(1) "Commission" means the Health and Human Services Commission.

(1-a) "Developmental disability" means a severe, chronic disability that:

   (A) is attributable to a mental or physical impairment or to a combination of a mental and physical impairment;
   (B) is manifested before a person reaches the age of 22;
   (C) is likely to continue indefinitely;
   (D) results in substantial functional limitations in three or more major life activities, including:

       (i) self-care;
       (ii) receptive and expressive language;
       (iii) learning;
       (iv) mobility;
       (v) self-direction;
       (vi) capacity for independent living; and
       (vii) economic sufficiency; and
   (E) reflects the person's needs for a combination and sequence of special interdisciplinary or generic care, treatment, or other lifelong or extended services that are individually planned and coordinated.
(1-b) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(c) Subchapter C, Chapter 112, Human Resources Code, is amended by adding Sections 112.0421 and 112.0431 to read as follows:

Sec. 112.0421. APPLICABILITY AND EXPIRATION OF CERTAIN PROVISIONS. (a) Sections 112.041(a), 112.043, 112.045, 112.0451, 112.0452, 112.0453, 112.0454, 112.046, 112.047, 112.0471, and 112.0472 apply only until the date the executive commissioner begins to administer this subchapter and the commission assumes the duties and functions of the Office for the Prevention of Developmental Disabilities in accordance with Section 112.0431.

(b) On the date the provisions listed in Subsection (a) cease to apply, the executive committee under Section 112.045 and the board of advisors under Section 112.046 are abolished.

(c) This section and Sections 112.041(a), 112.043, 112.045, 112.0451, 112.0452, 112.0453, 112.0454, 112.046, 112.047, 112.0471, and 112.0472 expire on the last day of the period prescribed by Section 531.02001(2), Government Code.

Sec. 112.0431. ADMINISTRATION OF SUBCHAPTER; CERTAIN REFERENCES. (a) Notwithstanding any other provision in this subchapter, the executive commissioner shall administer this subchapter beginning on the date specified in the transition plan under Section 531.0204, Government Code, and the commission shall perform the duties and functions of the Office for the Prevention of Developmental Disabilities in the organizational form the executive commissioner determines appropriate.
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(b) Following the assumption of the administration of this subchapter by the executive commissioner and the duties and functions by the commission in accordance with Subsection (a):

(1) a reference in this subchapter to the office, the Office for the Prevention of Developmental Disabilities, or the executive committee of that office means the commission, the division or other organizational unit within the commission designated by the executive commissioner, or the executive commissioner, as appropriate; and

(2) a reference in any other law to the Office for the Prevention of Developmental Disabilities has the meaning assigned by Subdivision (1).

(d) Section 112.044, Human Resources Code, is amended to read as follows:

Sec. 112.044. DUTIES. The office shall:

(1) educate the public and attempt to promote sound public policy regarding the prevention of developmental disabilities;

(2) identify, collect, and disseminate information and data concerning the causes, frequency of occurrence, and preventability of developmental disabilities;

(3) work with appropriate divisions within the commission, state agencies, and other entities to develop a coordinated long-range plan to effectively monitor and reduce the incidence or severity of developmental disabilities;

(4) promote and facilitate the identification, development, coordination, and delivery of needed prevention
services;
(5) solicit, receive, and spend grants and donations from public, private, state, and federal sources;
(6) identify and encourage establishment of needed reporting systems to track the causes and frequencies of occurrence of developmental disabilities;
(7) develop, operate, and monitor programs created under Section 112.048 addressing the prevention of specific targeted developmental disabilities;
(8) monitor and assess the effectiveness of divisions within the commission and of state agencies in preventing developmental disabilities;
(9) recommend the role each division within the commission and each state agency should have with regard to prevention of developmental disabilities;
(10) facilitate coordination of state agency prevention services and activities within the commission and among appropriate state agencies; and
(11) encourage cooperative, comprehensive, and complementary planning among public, private, and volunteer individuals and organizations engaged in prevention activities, providing prevention services, or conducting related research.

(e) Sections 112.048 and 112.049, Human Resources Code, are amended to read as follows:

Sec. 112.048. PREVENTION PROGRAMS FOR TARGETED DEVELOPMENTAL DISABILITIES TASK FORCES. (a) The executive committee shall establish guidelines for:
(1) selecting targeted disabilities;
(2) assessing prevention services needs; and
(3) reviewing [task force] plans, budgets, and operations for programs under this section.

(b) The executive committee shall [create task forces made up of members of the board of advisors to] plan and implement prevention programs for specifically targeted developmental disabilities. [A task force operates as an administrative division of the office and can be abolished when it is ineffective or is no longer needed.]

(c) A program under this section [task force shall]:

(1) must include [develop] a plan designed to reduce the incidence of a specifically targeted disability;
(2) must include [prepare] a budget for implementing a plan;
(3) must be funded [arrange for funds] through:
   (A) contracts for services from participating agencies;
   (B) grants and gifts from private persons and consumer and advocacy organizations; and
   (C) foundation support; and
(4) must be approved by [submit the plan, budget, and evidence of funding commitments to] the executive committee [for approval].

(d) A task force shall regularly report to the executive committee, as required by the committee, the operation, progress, and results of the task force's prevention plan.
Sec. 112.049. EVALUATION. (a) The office shall identify or encourage the establishment of needed statistical bases for each targeted group against which the office can measure how effectively a [task force] program under Section 112.048 is reducing the frequency or severity of a targeted developmental disability.

(b) The executive committee shall regularly monitor and evaluate the results of [task force prevention] programs under Section 112.048.

(f) The heading to Section 112.050, Human Resources Code, is amended to read as follows:

Sec. 112.050. GRANTS AND OTHER FUNDING.

(g) Section 112.050, Human Resources Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) The executive committee may not submit a legislative appropriation request for general revenue funds for purposes of this subchapter.

(d) In addition to funding under Subsection (a), the office may accept and solicit gifts, donations, and grants of money from public and private sources, including the federal government, local governments, and private entities, to assist in financing the duties and functions of the office. The commission shall support office fund-raising efforts authorized by this subsection. Funds raised under this subsection may only be spent in furtherance of a duty or function of the office or in accordance with rules applicable to the office.

(h) Section 112.051, Human Resources Code, is amended to
Sec. 112.051. REPORTS TO LEGISLATURE. The office shall submit by February 1 of each odd-numbered year biennial reports to the legislature detailing findings of the office and the results of [task force prevention] programs under Section 112.048 and recommending improvements in the delivery of developmental disability prevention services.

(i) Notwithstanding the changes in law made by this section, the Office for the Prevention of Developmental Disabilities and any administrative entity of the Office for the Prevention of Developmental Disabilities shall continue to operate under the law as it existed before the effective date of this article, and that law is continued in effect for that purpose, until the executive commissioner of the Health and Human Services Commission begins administering Subchapter C, Chapter 112, Human Resources Code, as amended by this article, and the commission begins performing the duties and functions of the Office for the Prevention of Developmental Disabilities as required by Section 112.0431, Human Resources Code, as added by this article, on the date specified in the transition plan required under Section 531.0204, Government Code, as added by this article.

(j) The executive commissioner of the Health and Human Services Commission shall begin administering Subchapter C, Chapter 112, Human Resources Code, as amended by this article, and the commission shall begin performing the duties and functions of the Office for the Prevention of Developmental Disabilities as required by Section 112.0431, Human Resources Code, as added by
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this article, on the date specified in the transition plan required
under Section 531.0204, Government Code, as added by this article.

SECTION 1.22. (a) The heading to Chapter 114, Human
Resources Code, is amended to read as follows:

CHAPTER 114. [TEXAS COUNCIL ON] AUTISM AND PERVERSIVE DEVELOPMENTAL
DISORDERS

(b) Section 114.002, Human Resources Code, is amended by
adding Subdivisions (1-a) and (3) to read as follows:

(1-a) "Commission" means the Health and Human Services
Commission.

(3) "Executive commissioner" means the executive
commissioner of the Health and Human Services Commission.

(c) Chapter 114, Human Resources Code, is amended by adding
Sections 114.0021 and 114.0031 to read as follows:

Sec. 114.0021. APPLICABILITY AND EXPIRATION OF CERTAIN
PROVISIONS. (a) Sections 114.001, 114.003, 114.004, 114.005,
114.007(a), and 114.010(d) apply only until the date the executive
commissioner begins to administer this chapter and the commission
assumes the duties and functions of the Texas Council on Autism and
Pervasive Developmental Disorders in accordance with Section
114.0031.

(b) On the date the provisions listed in Subsection (a)
cease to apply, the Texas Council on Autism and Pervasive
Developmental Disorders is abolished.

(c) This section and Sections 114.001, 114.003, 114.004,
114.005, 114.007(a), and 114.010(d) expire on the last day of the
period prescribed by Section 531.02001(1), Government Code.
Sec. 114.0031. ADMINISTRATION OF CHAPTER; CERTAIN REFERENCES. (a) Notwithstanding any other provision in this chapter, the executive commissioner shall administer this chapter beginning on the date specified in the transition plan under Section 531.0204, Government Code, and the commission shall perform the duties and functions of the Texas Council on Autism and Pervasive Developmental Disorders in the organizational form the executive commissioner determines appropriate.

(b) Following the assumption of the administration of this chapter by the executive commissioner and the duties and functions by the commission in accordance with Subsection (a):

(1) a reference in this chapter to the council, the Texas Council on Autism and Pervasive Developmental Disorders, or an agency represented on the council means the commission, the division or other organizational unit within the commission designated by the executive commissioner, or the executive commissioner, as appropriate; and

(2) a reference in any other law to the Texas Council on Autism and Pervasive Developmental Disorders has the meaning assigned by Subdivision (1).

(d) Section 114.006(b), Human Resources Code, is amended to read as follows:

(b) The council shall make written recommendations on the implementation of this chapter. If the council considers a recommendation that will affect another state [an] agency [not represented on the council], the council shall seek the advice and assistance of the agency before taking action on the
recommendation. On approval of the governing body of the agency, each agency affected by a council recommendation shall implement the recommendation. If an agency does not have sufficient funds to implement a recommendation, the agency shall request funds for that purpose in its next budget proposal.

(e) Sections 114.007(b) and (c), Human Resources Code, are amended to read as follows:

(b) The council with [the advice of the advisory task force and] input from people with autism and other pervasive developmental disorders, their families, and related advocacy organizations shall address contemporary issues affecting services available to persons with autism or other pervasive developmental disorders in this state, including:

(1) successful intervention and treatment strategies, including transitioning;
(2) personnel preparation and continuing education;
(3) referral, screening, and evaluation services;
(4) day care, respite care, or residential care services;
(5) vocational and adult training programs;
(6) public awareness strategies;
(7) contemporary research;
(8) early identification strategies;
(9) family counseling and case management; and
(10) recommendations for monitoring autism service programs.

(c) The council with [the advice of the advisory task force
input from people with autism and other pervasive developmental disorders, their families, and related advocacy organizations shall advise the legislature on legislation that is needed to develop further and to maintain a statewide system of quality intervention and treatment services for all persons with autism or other pervasive developmental disorders. The council may develop and recommend legislation to the legislature or comment on pending legislation that affects those persons.

(f) Section 114.008, Human Resources Code, is amended to read as follows:

Sec. 114.008. REPORT. (a) [The agencies represented on the council and the public members shall report to the council any requirements identified by the agency or person to provide additional or improved services to persons with autism or other pervasive developmental disorders.] Not later than November 1 of each even-numbered year, the council shall:

(1) prepare a report summarizing requirements the council identifies and recommendations for providing additional or improved services to persons with autism or other pervasive developmental disorders; and

(2) deliver the report to the executive commissioner [of the Health and Human Services Commission], the governor, the lieutenant governor, and the speaker of the house of representatives [a report summarizing the recommendations].

(b) The council shall develop a strategy for establishing new programs to meet the requirements identified through the council's review and assessment and from input from [the task
force] people with autism and related pervasive developmental disorders, their families, and related advocacy organizations.

(g) Section 114.013, Human Resources Code, is amended to read as follows:

Sec. 114.013. COORDINATION OF RESOURCES FOR INDIVIDUALS WITH AUTISM SPECTRUM DISORDERS [RESOURCE CENTER]. (a) The commission [Health and Human Services Commission] shall [establish and administer an autism spectrum disorders resource center to coordinate resources for individuals with autism and other pervasive developmental disorders and their families. In coordinating those resources [establishing and administering the center], the commission [Health and Human Services Commission] shall consult with [the council and coordinate with] appropriate state agencies [including each agency represented on the council].

(b) As part of coordinating resources under Subsection (a), the commission [The Health and Human Services Commission] shall [design the center to]:

(1) collect and distribute information and research regarding autism and other pervasive developmental disorders;

(2) conduct training and development activities for persons who may interact with an individual with autism or another pervasive developmental disorder in the course of their employment, including school, medical, or law enforcement personnel;

(3) coordinate with local entities that provide services to an individual with autism or another pervasive developmental disorder; and

(4) provide support for families affected by autism.
(h) Notwithstanding the changes in law made by this section, the Texas Council on Autism and Pervasive Developmental Disorders and any administrative entity of the Texas Council on Autism and Pervasive Developmental Disorders shall continue to operate under the law as it existed before the effective date of this article, and that law is continued in effect for that purpose, until the executive commissioner of the Health and Human Services Commission begins administering Chapter 114, Human Resources Code, as amended by this article, and the commission begins performing the duties and functions of the Texas Council on Autism and Pervasive Developmental Disorders as required by Section 114.0031, Human Resources Code, as added by this article, on the date specified in the transition plan required under Section 531.0204, Government Code, as added by this article.

(i) The executive commissioner of the Health and Human Services Commission shall begin administering Chapter 114, Human Resources Code, as amended by this article, and the commission shall begin performing the duties and functions of the Texas Council on Autism and Pervasive Developmental Disorders as required by Section 114.0031, Human Resources Code, as added by this article, on the date specified in the transition plan required under Section 531.0204, Government Code, as added by this article.

SECTION 1.23. (a) Effective September 1, 2016, the following provisions of the Government Code, including provisions amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:
(1) Section 531.0235; and
(2) Subchapter K, Chapter 531.

(b) Effective September 1, 2016, the following provisions of the Health and Safety Code are repealed:

(1) Section 1001.021;
(2) Section 1001.022;
(3) Section 1001.023;
(4) Section 1001.024;
(5) Section 1001.025;
(6) Section 1001.026; and
(7) Section 1001.027.

(c) Effective September 1, 2016, the following provisions of the Human Resources Code, including provisions added or amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

(1) Section 40.021;
(2) Section 40.022;
(3) Section 40.0226;
(4) Section 40.024;
(5) Section 40.025;
(6) Section 40.026;
(7) Section 117.002;
(8) Section 117.021;
(9) Section 117.022;
(10) Section 117.023;
(11) Section 117.024;
(12) Section 117.025;
Section 117.026;
Section 117.027;
Section 117.028;
Section 117.029;
Section 117.030;
Section 117.032;
Section 117.051;
Section 117.052;
Section 117.053;
Section 117.054;
Section 117.055;
Section 117.056;
Section 117.0711;
Section 117.0712;
Section 117.072;
Section 117.073;
Section 117.074;
Section 117.075;
(13) Section 117.026;
(14) Section 117.027;
(15) Section 117.028;
(16) Section 117.029;
(17) Section 117.030;
(18) Section 117.032;
(19) Section 117.051;
(20) Section 117.052;
(21) Section 117.053;
(22) Section 117.054;
(23) Section 117.055;
(24) Section 117.056;
(25) Section 117.0711;
(26) Section 117.0712;
(27) Section 117.072;
(28) Section 161.021;
(29) Section 161.022;
(30) Section 161.023;
(31) Section 161.024;
(32) Section 161.025;
(33) Section 161.026;
(34) Section 161.027;
(35) Section 161.028;
(36) Section 161.029; and
(37) Section 161.030.
(d) Effective September 1, 2017, Section 531.0055(i),
Government Code, is repealed.
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(e) Effective September 1, 2017, the following provisions of the Human Resources Code, including provisions added or amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

(1) Section 161.002;
(2) Section 161.032;
(3) Section 161.051;
(4) Section 161.052;
(5) Section 161.053;
(6) Section 161.054;
(7) Section 161.055;
(8) Section 161.056;
(9) Section 161.0711;
(10) Section 161.0712; and
(11) Section 161.072.

(f) Notwithstanding Subsections (a), (b), (c), (d), and (e) of this section, the implementation of a provision repealed by one of those subsections ceases on the date the responsible state agency or entity listed in Section 531.0202, Government Code, as added by this article, is abolished as provided by Subchapter A-1, Chapter 531, Government Code, as added by this article.

ARTICLE 2. HEALTH AND HUMAN SERVICES SYSTEM OPERATIONS

SECTION 2.01. Section 531.001, Government Code, is amended by adding Subdivision (3-a) to read as follows:

(3-a) "Health and human services system" means the system for providing or otherwise administering health and human services in this state by the commission, including through an
office or division of the commission or through another entity under the administrative and operational control of the executive commissioner.

SECTION 2.02. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.00552 to read as follows:

Sec. 531.00552. CONSOLIDATED INTERNAL AUDIT PROGRAM.
(a) Notwithstanding Section 2102.005, the commission shall operate the internal audit program required under Chapter 2102 for the commission and each health and human services agency as a consolidated internal audit program.

(b) For purposes of this section, a reference in Chapter 2102 to the administrator of a state agency with respect to a health and human services agency means the executive commissioner.

SECTION 2.03. Section 531.006, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.006. ELIGIBILITY FOR APPOINTMENT AS EXECUTIVE COMMISSIONER; EMPLOYEE RESTRICTIONS. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b-1) A person may not be appointed as executive commissioner, may not serve on the commission's executive council, and may not be a commission employee employed in a "bona fide executive, administrative, or
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professional capacity," as that phrase is used for purposes of
establishing an exemption to the overtime provisions of the federal
Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) if:

(1) the person is an officer, employee, or paid
consultant of a Texas trade association in the field of health and
human services; or

(2) the person's spouse is an [employee,] officer,
manager, or paid consultant of a Texas trade association in the [a]
field of health and human services [under the commission's
jurisdiction].

(b) A person may not be appointed as executive commissioner
or act as general counsel of the commission if the person [who] is
required to register as a lobbyist under Chapter 305 because of the
person's activities for compensation [in] or on behalf of a
profession related to the operation of the commission [a field
under the commission's jurisdiction may not serve as executive
commissioner].

(c) A person may not be appointed [is not eligible for
appointment] as executive commissioner if the person has a
financial interest in a corporation, organization, or association
under contract with:

(1) the commission or a health and human services
agency [Department of State Health Services, if the contract
involves mental health services];

(2) [the Department of Aging and Disability Services,
if the contract involves intellectual and developmental disability
services];
1 [44] a local mental health or intellectual and
2 developmental disability authority; or
3 (3) [44] a community center.
4 SECTION 2.04. Section 531.0161, Government Code, is amended
5 by adding Subsection (c) to read as follows:
6 (c) The commission shall:
7 (1) coordinate the implementation of the policy
8 developed under Subsection (a);
9 (2) provide training as needed to implement the
10 procedures for negotiated rulemaking or alternative dispute
11 resolution; and
12 (3) collect data concerning the effectiveness of those
13 procedures.
14 SECTION 2.05. (a) Subchapter A, Chapter 531, Government
15 Code, is amended by adding Section 531.0164 to read as follows:
16 Sec. 531.0164. HEALTH AND HUMAN SERVICES SYSTEM INTERNET
17 WEBSITE COORDINATION. The commission shall establish a process to
18 ensure Internet websites across the health and human services
19 system are developed and maintained according to standard criteria
20 for uniformity, efficiency, and technical capabilities. Under the
21 process, the commission shall:
22 (1) develop and maintain an inventory of all health
23 and human services system Internet websites;
24 (2) on an ongoing basis, evaluate the inventory
25 maintained under Subdivision (1) to:
26 (A) determine whether any of the Internet
27 websites should be consolidated to improve public access to those
websites' content; and

(B) ensure the Internet websites comply with the
standard criteria; and

(3) if appropriate, consolidate the websites
identified under Subdivision (2)(A).

(b) As soon as possible after the effective date of this
article, the Health and Human Services Commission shall implement
Section 531.0164, Government Code, as added by this article.

(c) As soon as possible after a function is transferred in
accordance with Section 531.0201, 531.02011, or 531.02012,
Government Code, as added by this Act, the Health and Human Services
Commission shall, in accordance with Section 531.0164, Government
Code, as added by this article, ensure that an Internet website
related to the transferred function is updated, transferred, or
consolidated to reflect the consolidation mandated by Subchapter
A-1, Chapter 531, Government Code, as added by this Act.

SECTION 2.06. (a) Subchapter A, Chapter 531, Government
Code, is amended by adding Section 531.0171 to read as follows:

Sec. 531.0171. OFFICE OF OMBUDSMAN. (a) The executive
commissioner shall establish the commission's office of the
ombudsman with authority and responsibility over the health and
human services system in performing the following functions:

(1) providing dispute resolution services for the
health and human services system;

(2) performing consumer protection and advocacy
functions related to health and human services, including assisting
a consumer or other interested person with:
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(A) raising a matter within the health and human services system that the person feels is being ignored; and

(B) obtaining information regarding a filed complaint; and

(3) collecting inquiry and complaint data related to the health and human services system.

(b) The office of the ombudsman does not have the authority to provide a separate process for resolving complaints or appeals.

(c) The executive commissioner shall develop a standard process for tracking and reporting received inquiries and complaints within the health and human services system. The process must provide for the centralized tracking of inquiries and complaints submitted to field, regional, or other local health and human services system offices.

(d) Using the process developed under Subsection (c), the office of the ombudsman shall collect inquiry and complaint data from all offices, agencies, divisions, and other entities within the health and human services system. To assist with the collection of data under this subsection, the office may access any system or process for recording inquiries and complaints used or maintained within the health and human services system.

(b) As soon as possible after the effective date of this article, the executive commissioner of the Health and Human Services Commission shall implement Section 531.0171, Government Code, as added by this article.

(c) Notwithstanding any other provision of state law but except as provided by Subsection (d) of this section:
(1) each office of an ombudsman established before the 
effective date of this section that performs ombudsman duties for a 
state agency or entity subject to abolition under Section 531.0202, 
Government Code, as added by this Act, is abolished on the date the 
state agency or entity for which the office performs ombudsman 
duties is abolished in accordance with the transition plan under 
Section 531.0204, Government Code, as added by this Act; and 
(2) each office of an ombudsman established before the 
effective date of this section that performs ombudsman duties for 
the Department of Family and Protective Services or the Department 
of State Health Services is abolished on the date specified in the 
transition plan under Section 531.0204, Government Code, as added 
by this Act.

(d) The following offices of an ombudsman are not abolished 
under Subsection (c) of this section and continue in existence:

(1) the office of independent ombudsman for state 
supported living centers established under Subchapter C, Chapter 
555, Health and Safety Code;
(2) the office of the state long-term care ombudsman;
and
(3) any other ombudsman office serving all or part of 
the health and human services system that is required by federal 
law.

(e) The executive commissioner of the Health and Human 
Services Commission shall certify which offices of ombudsman are 
abolished, and which are exempt from abolition, under Subsection 
(d) of this section and shall publish that certification in the
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Section 2.07. (a) Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0192 to read as follows:

Sec. 531.0192. Health and Human Services System Hotline and Call Center Coordination. (a) The commission shall establish a process to ensure all health and human services system hotlines and call centers are necessary and appropriate. Under the process, the commission shall:

(1) develop criteria for use in assessing whether a hotline or call center serves an ongoing purpose;

(2) develop and maintain an inventory of all system hotlines and call centers;

(3) use the inventory and assessment criteria developed under this subsection to periodically consolidate hotlines and call centers along appropriate functional lines;

(4) develop an approval process designed to ensure that a newly established hotline or call center, including the telephone system and contract terms for the hotline or call center, meets policies and standards established by the commission; and

(5) develop policies and standards for hotlines and call centers that include both quality and quantity performance measures and benchmarks and may include:

(A) client satisfaction with call resolution;

(B) accuracy of information provided;

(C) the percentage of received calls that are answered;

(D) the amount of time a caller spends on hold.
and

(E) call abandonment rates.

(a-1) In developing policies and standards under Subsection (a)(5), the commission may allow varied performance measures and benchmarks for a hotline or call center based on factors affecting the capacity of the hotline or call center, including factors such as staffing levels and funding.

(b) In consolidating hotlines and call centers under Subsection (a)(3), the commission shall seek to maximize the use and effectiveness of the commission's 2-1-1 telephone number.

(b) As soon as possible after the effective date of this article, the Health and Human Services Commission shall implement Section 531.0192, Government Code, as added by this article.

(c) Not later than March 1, 2016, the Health and Human Services Commission shall complete an initial assessment and consolidation of hotlines and call centers, as required by Section 531.0192, Government Code, as added by this article.

(d) As soon as possible after a function is transferred in accordance with Section 531.0201 or 531.02011, Government Code, as added by this Act, the Health and Human Services Commission shall, in accordance with Section 531.0192, Government Code, as added by this article, ensure a hotline or call center related to the transferred function is transferred or consolidated to reflect the consolidation mandated by Subchapter A-1, Chapter 531, Government Code, as added by this Act.

SECTION 2.08. (a) Section 531.0211(b), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular
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Session, 2015, is amended to read as follows:

(b) The report must include:

   (1) for each state agency described by Subsection (a):
      (A) a description of each of the components of Medicaid operated by the agency; and
      (B) an accounting of all funds related to Medicaid received and disbursed by the agency during the period covered by the report, including:
         (i) the amount of any federal Medicaid funds allocated to the agency for the support of each of the Medicaid components operated by the agency;
         (ii) the amount of any funds appropriated by the legislature to the agency for each of those components; and
         (iii) the amount of Medicaid payments and related expenditures made by or in connection with each of those components; and
   (2) for each Medicaid component identified in the report:
      (A) the amount and source of funds or other revenue received by or made available to the agency for the component; [and]
      (B) the amount spent on each type of service or benefit provided by or under the component;
      (C) the amount spent on component operations, including eligibility determination, claims processing, and case management; and
      (D) the amount spent on any other administrative
(b) The following provisions, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

1. Section 531.02112, Government Code;
2. Sections 531.03131(f) and (g), Government Code;
3. Section 2155.144(o), Government Code; and
4. Section 22.0251(b), Human Resources Code.

SECTION 2.09. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02114 to read as follows:

Sec. 531.02114. DENTAL DIRECTOR. The executive commissioner shall appoint for Medicaid a dental director who is a licensed dentist under Subtitle D, Title 3, Occupations Code, and rules adopted under that subtitle by the State Board of Dental Examiners.

SECTION 2.10. (a) Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02118 to read as follows:

Sec. 531.02118. STREAMLINING MEDICAID PROVIDER ENROLLMENT AND CREDENTIALING PROCESSES. (a) The commission shall streamline provider enrollment and credentialing processes under Medicaid.

(b) In streamlining the Medicaid provider enrollment process, the commission shall establish a centralized Internet portal through which providers may enroll in Medicaid. The commission may use the Internet portal created under this subsection to create a single, consolidated Medicaid provider enrollment and credentialing process.

(c) In streamlining the Medicaid provider credentialing
process under this section, the commission may designate a centralized credentialing entity and may:

(1) share information in the database established under Subchapter C, Chapter 32, Human Resources Code, with the centralized credentialing entity; and

(2) require all managed care organizations contracting with the commission to provide health care services to Medicaid recipients under a managed care plan issued by the organization to use the centralized credentialing entity as a hub for the collection and sharing of information.

(d) If cost-effective, the commission may contract with a third party to develop the single, consolidated Medicaid provider enrollment and credentialing process authorized under Subsection (b).

(b) The Health and Human Services Commission shall streamline provider enrollment and credentialing processes as required under Section 531.02118, Government Code, as added by this article, not later than September 1, 2016.

SECTION 2.11. (a) Section 531.02141, Government Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) The commission shall regularly evaluate data submitted by managed care organizations that contract with the commission under Chapter 533 to determine whether:

(1) the data continues to serve a useful purpose; and

(2) additional data is needed to oversee contracts or evaluate the effectiveness of Medicaid.

(d) The commission shall collect Medicaid managed care data
that effectively captures the quality of services received by Medicaid recipients.

(e) The commission shall develop a dashboard for agency leadership that is designed to assist leadership with overseeing Medicaid and comparing the performance of managed care organizations participating in Medicaid. The dashboard must identify a concise number of important Medicaid indicators, including key data, performance measures, trends, and problems.

(b) Not later than March 1, 2016, the Health and Human Services Commission shall develop the dashboard required by Section 531.0214(e), Government Code, as added by this article.

SECTION 2.12. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02221 to read as follows:

Sec. 531.02221. WOMEN'S HEALTH ADVISORY COMMITTEE.

(a) The executive commissioner shall establish a women's health advisory committee to provide recommendations to the commission on the consolidation of women's health programs.

(b) The executive commissioner shall appoint members to the advisory committee and ensure that a majority of the members are health care providers who:

(1) are participating in women's health programs of various sizes;

(2) are located in separate geographic areas of this state; and

(3) have experience in operating women's health programs.

(c) The executive commissioner may appoint a member not
described by Subsection (b) to the women's health advisory committee who represents the women's health industry and is knowledgeable on the best practices for women's health programs.

(d) The executive commissioner shall establish the women's health advisory committee not later than October 15, 2015.

(e) The women's health advisory committee is abolished and this section expires September 1, 2017.

SECTION 2.13. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02731 to read as follows:

Sec. 531.02731. REPORT OF INFORMATION RESOURCES MANAGER TO COMMISSION. Notwithstanding Section 2054.075(b), the information resources manager of a health and human services agency shall report directly to the executive commissioner or a deputy executive commissioner designated by the executive commissioner.

SECTION 2.14. Section 531.102, Government Code, is amended by adding Subsections (p) and (q) to read as follows:

(p) In accordance with Section 533.015(b), the office shall consult with the executive commissioner regarding the adoption of rules defining the office's role in and jurisdiction over, and the frequency of, audits of managed care organizations participating in Medicaid that are conducted by the office and the commission.

(q) The office shall coordinate all audit and oversight activities, including the development of audit plans, risk assessments, and findings, with the commission to minimize the duplication of activities. In coordinating activities under this subsection, the office shall:

(1) on an annual basis, seek input from the commission
and consider previous audits and onsite visits made by the commission for purposes of determining whether to audit a managed care organization participating in Medicaid; and

(2) request the results of any informal audit or onsite visit performed by the commission that could inform the office's risk assessment when determining whether to conduct, or the scope of, an audit of a managed care organization participating in Medicaid.

SECTION 2.15. (a) Section 531.1031(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) In this section and Sections 531.1032, 531.1033, and 531.1034:

(1) "Health care professional" means a person issued a license[ , registration, or certification] to engage in a health care profession.

(1-a) "License" means a license, certificate, registration, permit, or other authorization that:

(A) is issued by a licensing authority; and

(B) must be obtained before a person may practice or engage in a particular business, occupation, or profession.

(1-b) "Licensing authority" means a department, commission, board, office, or other agency of the state that issues a license.

(1-c) "Office" means the commission's office of inspector general unless a different meaning is plainly required by the context in which the term appears.
(2) "Participating agency" means:

(A) the Medicaid fraud enforcement divisions of the office of the attorney general;

(B) each licensing authority [board or agency] with authority to issue a license to [register, regulate, or certify] a health care professional or managed care organization that may participate in Medicaid; and

(C) the [commission's] office [of inspector general].

(3) "Provider" has the meaning assigned by Section 531.1011(10)(A).

(b) Subchapter C, Chapter 531, Government Code, is amended by adding Sections 531.1032, 531.1033, and 531.1034 to read as follows:

Sec. 531.1032. OFFICE OF INSPECTOR GENERAL: CRIMINAL HISTORY RECORD INFORMATION CHECK. (a) The office and each licensing authority that requires the submission of fingerprints for the purpose of conducting a criminal history record information check of a health care professional shall enter into a memorandum of understanding to ensure that only persons who are licensed and in good standing as health care professionals participate as providers in Medicaid. The memorandum under this section may be combined with a memorandum authorized under Section 531.1031(c-1) and must include a process by which:

(1) the office may confirm with a licensing authority that a health care professional is licensed and in good standing for purposes of determining eligibility to participate in Medicaid; and
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(2) the licensing authority immediately notifies the office if:

(A) a provider’s license has been revoked or suspended; or

(B) the licensing authority has taken disciplinary action against a provider.

(b) The office may not, for purposes of determining a health care professional’s eligibility to participate in Medicaid as a provider, conduct a criminal history record information check of a health care professional who the office has confirmed under Subsection (a) is licensed and in good standing. This subsection does not prohibit the office from performing a criminal history record information check of a provider that is required or appropriate for other reasons, including for conducting an investigation of fraud, waste, or abuse.

(c) For purposes of determining eligibility to participate in Medicaid and subject to Subsection (d), the office, after seeking public input from various geographic areas across this state, either in person or through teleconferencing centers, shall establish and the executive commissioner by rule shall adopt guidelines for the evaluation of criminal history record information of providers and potential providers. The guidelines must outline conduct, by provider type, that may be contained in criminal history record information that will result in exclusion of a person from Medicaid as a provider, taking into consideration:

(1) the extent to which the underlying conduct relates to the services provided under Medicaid;
(2) the degree to which the person would interact with
Medicaid recipients as a provider; and

(3) any previous evidence that the person engaged in
fraud, waste, or abuse under Medicaid.

(d) The guidelines adopted under Subsection (c) may not
impose stricter standards for the eligibility of a person to
participate in Medicaid than a licensing authority described by
Subsection (a) requires for the person to engage in a health care
profession without restriction in this state.

(e) The office and the commission shall use the guidelines
adopted under Subsection (c) to determine whether a provider
participating in Medicaid continues to be eligible to participate
in Medicaid as a provider.

(f) The provider enrollment contractor, if applicable, and
a managed care organization participating in Medicaid shall defer
to the office regarding whether a person's criminal history record
information precludes the person from participating in Medicaid as
a provider.

Sec. 531.1033. MONITORING OF CERTAIN FEDERAL DATABASES.
The office shall routinely check appropriate federal databases,
including databases referenced in 42 C.F.R. Section 455.436, to
ensure that a person who is excluded from participating in Medicaid
or in the Medicare program by the federal government is not
participating as a provider in Medicaid.

Sec. 531.1034. TIME TO DETERMINE PROVIDER ELIGIBILITY;
PERFORMANCE METRICS. (a) Not later than the 10th day after the
date the office receives the complete application of a health care
professional seeking to participate in Medicaid, the office shall inform the commission or the health care professional, as appropriate, of the office's determination regarding whether the health care professional should be denied participation in Medicaid based on:

(1) information concerning the licensing status of the health care professional obtained as described by Section 531.1032(a);

(2) information contained in the criminal history record information check that is evaluated in accordance with guidelines adopted under Section 531.1032(c);

(3) a review of federal databases under Section 531.1033;

(4) the pendency of an open investigation by the office; or

(5) any other reason the office determines appropriate.

(b) Completion of an on-site visit of a health care professional during the period prescribed by Subsection (a) is not required.

(c) The office shall develop performance metrics to measure the length of time for conducting a determination described by Subsection (a) with respect to applications that are complete when submitted and all other applications.

(c) Not later than September 1, 2016, the executive commissioner of the Health and Human Services Commission shall adopt the guidelines required under Section 531.1032(c),
Government Code, as added by this section.

SECTION 2.16. (a) Section 531.251, Government Code, as amended by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.251. TEXAS SYSTEM OF CARE FRAMEWORK [CONSORTIUM].

(a) In this section:

(1) "Minor" means an individual younger than 18 years of age.

(2) "Serious emotional disturbance" means a mental, behavioral, or emotional disorder of sufficient duration to result in functional impairment that substantially interferes with or limits a person's role or ability to function in family, school, or community activities.

(3) "System of care framework" means a framework for collaboration among state agencies, minors who have a serious emotional disturbance or are at risk of developing a serious emotional disturbance, and the families of those minors that improves access to services and delivers effective community-based services that are family-driven, youth- or young adult-guided, and culturally and linguistically competent.

(b) The commission shall implement [form a consortium to have responsibility for and oversight over] a [state] system of care framework to develop local mental health systems of care in communities for minors who are receiving residential mental health services and supports or inpatient mental health hospitalization, have or are at risk of developing a serious emotional disturbance, or [who] are at risk of being removed from the minor's home and
placed in a more restrictive environment to receive mental health services and supports, including an inpatient mental health hospital, a residential treatment facility, or a facility or program operated by the Department of Family and Protective Services or an agency that is part of the juvenile justice system.

(c) (a-1) The consortium must include:

[41] representatives of the Department of State Health Services, Department of Family and Protective Services, commission's Medicaid program, Texas Education Agency, Texas Juvenile Justice Department, and Texas Correctional Office on Offenders with Medical or Mental Impairments; and

(2) one member who is:

(A) a youth or young adult who has a serious emotional disturbance and has received mental health services and supports, or

(B) a family member of a youth or young adult described by Paragraph (A).

(a-2) The consortium may coordinate with the Children's Policy Council for the purposes of including the representation required by Subsection (a-1)(2).

(b) The commission [and the consortium] shall:

(1) maintain a comprehensive plan for the delivery of mental health services and supports to a minor and a minor's family using a system of care framework, including best practices in the financing, administration, governance, and delivery of those services;

(2) enter memoranda of understanding with the
Department of State Health Services, the Department of Family and Protective Services, the Texas Education Agency, the Texas Juvenile Justice Department, and the Texas Correctional Office on Offenders with Medical or Mental Impairments that specify the roles and responsibilities of each agency in implementing the comprehensive plan described by Subdivision (1) [implement strategies to expand the use of system of care practices in the planning and delivery of services throughout the state];

(3) identify appropriate local, state, and federal funding sources to finance infrastructure and mental health services and supports needed to support state and local system of care framework efforts; [and]

(4) develop an evaluation system to measure cross-system performance and outcomes of state and local system of care framework efforts; and

(5) in implementing the provisions of this section, consult with stakeholders, including:

(A) minors who have or are at risk of developing a serious emotional disturbance or young adults who received mental health services and supports as a minor with or at risk of developing a serious emotional disturbance; and

(B) family members of those minors or young adults.

[(b-1) Not later than November 1 of each even-numbered year, the consortium shall submit a report to the legislature and the Council on Children and Families that contains an evaluation of the outcomes of the Texas System of Care and recommendations on]
strengthening state policies and practices that support local systems of care, including recommendations relating to:

(1) methods to increase access to effective and coordinated services and supports;

(2) methods to increase community capacity to implement local systems of care through training and technical assistance;

(3) use of cross-system performance and outcome data to make informed decisions at individual and system levels; and

(4) strategies to maximize public and private funding at the local, state, and federal levels.

(b) Section 531.255, Government Code, is amended to read as follows:

Sec. 531.255. EVALUATION. [(a)] The commission [(and the Department of State Health Services jointly)] shall monitor the implementation of a system of care framework under Section 531.251 and adopt rules as necessary to facilitate or adjust that implementation [progress of the communities that implement a local system of care, including monitoring cost avoidance and the net savings that result from implementing a local system of care].

SECTION 2.17. (a) Chapter 531, Government Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. COORDINATION OF QUALITY INITIATIVES

Sec. 531.451. OPERATIONAL PLAN TO COORDINATE INITIATIVES.

(a) The commission shall develop and implement a comprehensive, coordinated operational plan to ensure a consistent approach across the major quality initiatives of the health and human services.
system for improving the quality of health care.

(b) The operational plan developed under this section must include broad goals for the improvement of the quality of health care in this state, including health care services provided through Medicaid.

(c) The operational plan under this section may evaluate: the Delivery System Reform Incentive Payment (DSRIP) program under the Texas Health Care Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), enhancing funding to disproportionate share hospitals in the state, Section 1332 of 42 U.S.C. Section 18052, enhancing uncompensated care pool payments to hospitals in the state under the Texas Health Care Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), home and community-based services state plan options under Section 1915(i) of the federal Social Security Act (42 U.S.C. Section 1396n), and a contingency plan in the event the commission does not obtain an extension or renewal of the uncompensated care pool provisions or any other provisions of the Texas Health Care Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315).

Sec. 531.452. REVISION OF MAJOR INITIATIVES. Notwithstanding any other law, the commission shall revise major quality initiatives of the health and human services system in accordance with the operational plan and health care quality improvement goals developed under Section 531.451. To the extent
it is possible, the commission shall ensure that outcome measure
data is collected and reported consistently across all major
quality initiatives to improve the evaluation of the initiatives' statewide impact.

Sec. 531.453. INCENTIVES FOR INITIATIVE COORDINATION. The commission shall consider and, if the commission determines it appropriate, develop incentives that promote coordination among the various major quality initiatives in accordance with this subchapter, including projects and initiatives approved under the Texas Health Care Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315).

Sec. 531.454. RENEWAL OF FEDERAL AUTHORIZATION FOR MEDICAID REFORM. (a) When the commission seeks to renew the Texas Health Care Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), the commission shall, to the extent permitted under federal law:

(1) seek to reduce the number of approved project options that may be funded under the waiver using delivery system reform incentive payments to include only those projects that are:

(A) the most critical for improving the quality of health care, including behavioral health services; and

(B) consistent with the operational plan and health care quality improvement goals developed under Section 531.451; and

(2) allow a delivery system reform incentive payment
project that, as a result of Subdivision (1), is no longer an option
under the waiver, to continue operating as long as the project meets
funding requirements and outcome objectives.

(b) In reducing the number of approved project options under
Subsection (a), the commission shall take into consideration the
diversity of local and regional health care needs in this state.

(c) This section expires September 1, 2017.

(b) As soon as possible after the effective date of this
article, the Health and Human Services Commission shall develop the
operational plan and perform the other actions corresponding with
the operational plan as required under Subchapter M, Chapter 531,
Government Code, as added by this article.

SECTION 2.18. Section 533.00255(a), Government Code, is
amended to read as follows:

(a) In this section, "behavioral health services" means
mental health and substance abuse disorder services[, other than
these provided through the NorthSTAR demonstration project].

SECTION 2.19. Section 533.00255, Government Code, is
amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a), for purposes of this
section, the term "behavioral health services" does not include
mental health and substance disorder services provided through the
NorthSTAR demonstration project. This subsection expires on the
later of the following dates:

(1) January 1, 2017; or
(2) the last day of the transition deadline for the
cessation of the NorthSTAR Behavioral Health Services model if that
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deadline is extended in accordance with provisions of H.B. No. 1, Acts of the 84th Legislature, Regular Session, 2015 (the General Appropriations Act), by written approval of the Legislative Budget Board or the governor.

SECTION 2.20. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.002551 to read as follows:

Sec. 533.002551. MONITORING OF COMPLIANCE WITH BEHAVIORAL HEALTH INTEGRATION. (a) In this section, "behavioral health services" has the meaning assigned by Section 533.00255.

(b) In monitoring contracts the commission enters into with managed care organizations under this chapter, the commission shall:

(1) ensure managed care organizations fully integrate behavioral health services into a recipient's primary care coordination;

(2) use performance audits and other oversight tools to improve monitoring of the provision and coordination of behavioral health services; and

(3) establish performance measures that may be used to determine the effectiveness of the integration of behavioral health services.

(c) In monitoring a managed care organization's compliance with behavioral health services integration requirements under this section, the commission shall give particular attention to a managed care organization that provides behavioral health services through a contract with a third party.

SECTION 2.21. Subchapter A, Chapter 533, Government Code,
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is amended by adding Section 533.0061 to read as follows:

Sec. 533.0061. FREQUENCY OF PROVIDER CREDENTIALING. A
managed care organization that contracts with the commission to
provide health care services to Medicaid recipients under a managed
care plan issued by the organization shall formally recredential a
physician or other provider with the frequency required by the
single, consolidated Medicaid provider enrollment and
credentialing process, if that process is created under Section
531.02118. The required frequency of recredentialing may be less
frequent than once in any three-year period, notwithstanding any
other law.

SECTION 2.22. Subchapter A, Chapter 533, Government Code,
is amended by adding Section 533.0077 to read as follows:

Sec. 533.0077. STATEWIDE EFFORT TO PROMOTE MAINTENANCE OF
ELIGIBILITY. (a) The commission shall develop and implement a
statewide effort to assist recipients who satisfy Medicaid
eligibility requirements and who receive Medicaid services through
a managed care organization with maintaining eligibility and
avoiding lapses in coverage under Medicaid.

(b) As part of its effort under Subsection (a), the
commission shall:

(1) require each managed care organization providing
health care services to recipients to assist those recipients with
maintaining eligibility;

(2) if the commission determines it is cost-effective,
develop specific strategies for assisting recipients who receive
Supplemental Security Income (SSI) benefits under 42 U.S.C. Section
1381 et seq. with maintaining eligibility; and

(3) ensure information that is relevant to a recipient's eligibility status is provided to the managed care organization through which the recipient receives Medicaid services.

SECTION 2.23. (a) Section 533.015, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 533.015. COORDINATION OF EXTERNAL OVERSIGHT ACTIVITIES. (a) To the extent possible, the commission shall coordinate all external oversight activities to minimize duplication of oversight of managed care plans under Medicaid and disruption of operations under those plans.

(b) The executive commissioner, after consulting with the commission's office of inspector general, shall, by rule, define the commission's and office's roles in and jurisdiction over, and frequency of, audits of managed care organizations participating in Medicaid that are conducted by the commission and the commission's office of inspector general.

(c) In accordance with Section 531.102(q), the commission shall share with the commission's office of inspector general, at the request of the office, the results of any informal audit or onsite visit that could inform that office's risk assessment when determining whether to conduct, or the scope of, an audit of a managed care organization participating in Medicaid.

(b) Not later than September 1, 2016, the executive commissioner of the Health and Human Services Commission shall
adopt rules required by Section 533.015(b), Government Code, as
added by this article.

SECTION 2.24. Section 533.041(a), Government Code, as
amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
2015, is amended to read as follows:

(a) The executive commissioner shall appoint a state
Medicaid managed care advisory committee. The advisory committee
consists of representatives of:

(1) hospitals;
(2) managed care organizations and participating
health care providers;
(3) primary care providers and specialty care
providers;
(4) state agencies;
(5) low-income recipients or consumer advocates
representing low-income recipients;
(6) recipients with disabilities, including
recipients with an intellectual or developmental disability or with
physical disabilities, or consumer advocates representing those
recipients;
(7) parents of children who are recipients;
(8) rural providers;
(9) advocates for children with special health care
needs;
(10) pediatric health care providers, including
specialty providers;
(11) long-term services and supports providers,
including nursing facility providers and direct service workers;
(12) obstetrical care providers;
(13) community-based organizations serving low-income children and their families;
(14) community-based organizations engaged in perinatal services and outreach;
(15) recipients who are 65 years of age or older;
(16) recipients with mental illness;
(17) nonphysician mental health providers participating in the Medicaid managed care program; and
(18) entities with responsibilities for the delivery of long-term services and supports or other Medicaid service delivery, including:

(A) independent living centers;
(B) area agencies on aging;
(C) aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services; and
(D) community mental health and intellectual disability centers; and
(E) the NorthSTAR Behavioral Health Program provided under Chapter 534, Health and Safety Code.

SECTION 2.25. (a) Chapter 533, Government Code, is amended by adding Subchapter E to read as follows:
SUBCHAPTER E. PILOT PROGRAM TO INCREASE INCENTIVE-BASED PROVIDER PAYMENTS

Sec. 533.081. DEFINITION. In this subchapter, "pilot program" means the pilot program to increase incentive-based provider payments established under Section 533.082.

Sec. 533.082. PILOT PROGRAM TO INCREASE INCENTIVE-BASED PROVIDER PAYMENTS. The commission shall develop a pilot program to increase the use and effectiveness of incentive-based provider payments by managed care organizations providing services under the Medicaid managed care program. The commission and the managed care organizations providing those services in at least one managed care service delivery area shall work with health care providers and professional associations composed of health care providers to develop common payment incentive methodologies for the pilot program that:

1. are structured to reward appropriate, quality care;
2. align outcomes of the pilot program with the commission's Medicaid managed care quality-based payment programs;
3. are not intended to supplant existing incentive-based contracts between the managed care organizations and providers;
4. are structured to encourage formal arrangements among providers to work together to provide better patient care;
5. are adopted by all managed care organizations providing services under the Medicaid managed care program through the same managed care service delivery model so that similar
incentive methodologies apply to all participating providers under the same model; and

(6) are voluntarily agreed to by the participating providers.

Sec. 533.083. ASSESSMENT AND IMPLEMENTATION OF PILOT PROGRAM FINDINGS. Not later than September 1, 2018, and notwithstanding any other law, the commission shall:

(1) based on the results of the pilot program, identify which types of incentive-based provider payment goals and outcome measures are most appropriate for statewide implementation and the services that can be provided using those goals and outcome measures; and

(2) require that a managed care organization that has contracted with the commission to provide health care services to recipients implement the payment goals and outcome measures identified under Subdivision (1).

Sec. 533.084. EXPIRATION. Sections 533.081 and 533.082 and this section expire September 1, 2018.

(b) As soon as possible after the effective date of this article, the Health and Human Services Commission shall develop the pilot program required under Subchapter E, Chapter 533, Government Code, as added by this article.

(c) The Health and Human Services Commission, in a contract between the commission and a managed care organization under Chapter 533, Government Code, that is entered into or renewed on or after September 1, 2018, shall require that the managed care organization implement the incentive-based provider payment goals
and outcome measures identified by the commission under Section 533.083, Government Code, as added by this article.

(d) The Health and Human Services Commission shall seek to amend contracts entered into with managed care organizations under Chapter 533, Government Code, before September 1, 2018, to require that those managed care organizations implement the incentive-based provider payment goals and outcome measures identified by the commission under Section 533.083, Government Code, as added by this article. To the extent of a conflict between that section and a provision of a contract with a managed care organization entered into before September 1, 2018, the contract provision prevails.

SECTION 2.26. Subchapter A, Chapter 552, Health and Safety Code, is amended by adding Section 552.0012 to read as follows:

Sec. 552.0012. STUDY REGARDING NEW LOCATION FOR AUSTIN STATE HOSPITAL. (a) The commission, in coordination with the department, the General Land Office, and the Texas Facilities Commission, shall conduct a study to determine the feasibility, costs, and benefits of transferring operation of the Austin State Hospital from the hospital's facilities as of January 1, 2015, to a new facility at a new location.

(b) The study conducted under this section must consider potential locations and facilities for the operation of the Austin State Hospital that are owned by the state and that are not owned by the state. For each potential location, the study must consider:

(1) property and facility costs, including costs associated with purchasing or leasing facilities;
(2) ease of public access by main roads and public transportation; and

(3) capacity to accommodate the complete operation of the Austin State Hospital without overcrowding or interference in the delivery of services to patients.

(c) In considering property and facility costs of a potential location for the Austin State Hospital under Subsection (b)(1), the study must assume that proceeds from the sale or lease of the Austin State Hospital's facilities as of January 1, 2015, would be used for the payment of property and facility costs of a new location.

(d) The commission, in conducting the study, shall obtain input from appropriate stakeholders and from the public at public hearings held in locations across the geographic area served by the Austin State Hospital.

(e) Not later than September 1, 2016, the commission shall compile a report containing results from the study and submit the report to:

(1) each legislative standing committee with primary jurisdiction over health and human services;

(2) the Sunset Advisory Commission; and

(3) the Legislative Budget Board.

(f) This section expires September 1, 2017.

SECTION 2.27. Section 1001.080(b), Health and Safety Code, is amended to read as follows:

(b) This section applies to health or mental health benefits, services, or assistance provided by the department that
the department anticipates will be impacted by a health insurance exchange as defined by Section 1001.081(a), including:

(1) community primary health care services provided under Chapter 31;
(2) women's and children's health services provided under Chapter 32;
(3) services for children with special health care needs provided under Chapter 35;
(4) epilepsy program assistance provided under Chapter 40;
(5) hemophilia program assistance provided under Chapter 41;
(6) kidney health care services provided under Chapter 42;
(7) human immunodeficiency virus infection and sexually transmitted disease prevention programs and services provided under Chapter 85;
(8) immunization programs provided under Chapter 161;
(9) programs and services provided by the Rio Grande State Center under Chapter 252;
(10) mental health services for adults provided under Chapter 534;
(11) mental health services for children provided under Chapter 534;
(12) [the NorthSTAR Behavioral Health Program provided under Chapter 534;
(13)] programs and services provided by community
ment hospitals under Chapter 552;
(13) [§4+] programs and services provided by state
mental health hospitals under Chapter 552; and
(14) [§4+] any other health or mental health program
or service designated by the department.

SECTION 2.28. Section 1001.201(2), Health and Safety Code,
as added by Chapter 1306 (H.B. 3793), Acts of the 83rd Legislature,
Regular Session, 2013, is amended to read as follows:
(2) "Local mental health authority" has the meaning
assigned by Section 531.002 [and includes the local behavioral
health authority for the NorthSTAR Behavioral Health Program].

SECTION 2.29. Subchapter A, Chapter 33, Human Resources
Code, is amended by adding Section 33.018 to read as follows:
Sec. 33.018. SNAP ELIGIBILITY FOLLOWING CERTAIN CRIMINAL
CONVICTIONS. (a) As authorized by 21 U.S.C. Section 862a(d)(1)
and except as provided by this section, 21 U.S.C. Section
862a(a)(2) does not apply in determining the eligibility of any
person for the supplemental nutrition assistance program.
(b) 21 U.S.C. Section 862a(a)(2) applies in determining the
eligibility for the supplemental nutrition assistance program of a
person who has been convicted of, and released on parole or placed
on community supervision for, any felony offense that has as an
element the possession, use, or distribution of a controlled
substance, as defined in 21 U.S.C. Section 802, if the person
violates any condition of that parole or community supervision. A
person described by this subsection is ineligible for the
supplemental nutrition assistance program only for a two-year
period beginning on the date the person is found to have violated
the condition of parole or community supervision, as authorized by

(c) A person convicted of an offense described by Subsection
(b) who is receiving supplemental nutrition assistance program
benefits and who is convicted of a subsequent felony offense,
regardless of the elements of the offense, is ineligible for the
supplemental nutrition assistance program.

SECTION 2.30. The changes in law made by this Act apply only
to a determination of eligibility of a person for supplemental
nutrition assistance benefits made on or after the effective date
of this Act. A determination of eligibility made before the
effective date of this Act is governed by the law in effect on the
date the determination was made, and the former law is continued in
effect for that purpose.

SECTION 2.31. (a) The Health and Human Services Commission
shall develop a strategic plan to significantly reduce morbidity
and mortality from chronic respiratory disease, including asthma
and chronic obstructive pulmonary disease.

(b) In developing the strategic plan, the Health and Human
Services Commission shall collaborate with the Department of State
Health Services, including the Chronic Disease Prevention Division
and may convene any necessary workgroups. The members of a
workgroup may include health care providers, medical school and
academic experts, nonprofit and community organizations, and other
people the department determines necessary specializing in asthma
and chronic obstructive pulmonary disease prevention, screening,
In developing the strategic plan, the Health and Human Service Commission shall:

(1) identify barriers to effective prevention, screening, medication adherence, and treatment for asthma and chronic obstructive pulmonary disease;

(2) identify methods to increase awareness of the risk factors and symptoms associated with asthma and chronic obstructive pulmonary disease;

(3) identify methods to increase the use of regular evidence-based screening for asthma and chronic obstructive pulmonary disease;

(4) review current technologies and best practices for chronic respiratory disease diagnosis, management, and treatment;

(5) develop methods for creating partnerships with public and private entities to increase awareness of asthma and chronic obstructive pulmonary disease;

(6) review current prevention, screening, treatment, and other related activities in this state for asthma and chronic obstructive pulmonary disease and identify areas in which the health care services provided through those activities are lacking;

(7) estimate the annual direct and indirect state health care costs attributable to asthma and chronic obstructive pulmonary disease; and

(8) make recommendations to the legislature on state policy changes and funding needed to implement the strategic plan.

Not later than December 31, 2016, the Department of
State Health Services shall deliver to the governor and members of the legislature the strategic plan and recommendations on goal implementation and schedule compliance related to the strategic plan developed as required by this section.

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(e) This section expires January 1, 2017.

SECTION 2.32. (a) The Health and Human Services Commission shall develop a strategic plan to significantly reduce morbidity and mortality from human papillomavirus-associated cancer.

(b) In developing the strategic plan, the Health and Human Services Commission shall collaborate with the Department of State Health Services and the Cancer Prevention and Research Institute of Texas and may convene any necessary workgroups. The members of a workgroup may include:

(1) health care providers specializing in human papillomavirus-associated cancer prevention, screening, treatment, or research;

(2) physicians specializing in primary care, pediatrics, or obstetrics and gynecology;

(3) mid-level health care practitioners;

(4) cancer epidemiologists;

(5) representatives of general academic teaching institutions as defined by Section 61.003, Education Code, medical and dental units as defined by Section 61.003, Education Code, and medical schools as defined by Section 61.501, Education Code;

(6) middle school, high school, or college health educators;

(7) human papillomavirus-associated cancer survivors;
(8) representatives from geographic areas or other population groups at higher risk of human papillomavirus-associated cancer;

(9) public advocates concerned with issues related to vaccine-preventable diseases;

(10) representatives of community-based and faith-based organizations involved in providing education, awareness, or support relating to human papillomavirus-associated cancer; or

(11) other people the department determines are necessary.

(c) In developing the strategic plan, the Department of State Health Services shall:

(1) identify barriers to effective prevention, screening, and treatment for human papillomavirus-associated cancer, including specific barriers affecting providers and patients;

(2) identify methods, other than a mandate, to increase the number of people vaccinated against human papillomavirus;

(3) identify methods to increase use of evidence-based screening to enhance the number of people screened regularly for human papillomavirus-associated cancer;

(4) review current technologies and best practices for human papillomavirus-associated cancer screening;

(5) review technology available to diagnose and prevent infection by human papillomavirus;
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(6) develop methods for creating partnerships with public and private entities to increase awareness of human papillomavirus-associated cancer and of the importance of vaccination education and regular screening;

(7) review current prevention, screening, treatment, and related activities in this state and identify areas in which the services for those activities are lacking;

(8) estimate the annual direct and indirect state health care costs attributable to human papillomavirus-associated cancers;

(9) identify actions necessary to increase vaccination and screening rates and reduce the morbidity and mortality from human papillomavirus-associated cancer and establish a schedule for implementing those actions; and

(10) make recommendations to the legislature on policy changes and funding needed to implement the strategic plan.

(d) Not later than December 31, 2016, the Health and Human Services Commission shall deliver to the governor and members of the legislature the strategic plan and recommendations on goal implementation and schedule compliance related to the strategic plan.

(e) This section expires January 1, 2017.

ARTICLE 3. HEALTH AND HUMAN SERVICES SYSTEM ADVISORY ENTITIES

SECTION 3.01. Section 262.353(d), Family Code, is amended to read as follows:

(d) Not later than September 30, 2014, the department and the Department of State Health Services shall file a report with the
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legislature [and the Council on Children and Families] on the results of the study required by Subsection (a). The report must include:

1. each option to prevent relinquishment of parental custody that was considered during the study;
2. each option recommended for implementation, if any;
3. each option that is implemented using existing resources;
4. any policy or statutory change needed to implement a recommended option;
5. the fiscal impact of implementing each option, if any;
6. the estimated number of children and families that may be affected by the implementation of each option; and
7. any other significant information relating to the study.

SECTION 3.02. (a) Section 531.012, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.012. ADVISORY COMMITTEES. (a) The executive commissioner shall establish and maintain [may appoint] advisory committees to consider issues and solicit public input across all major areas of the health and human services system which may be from various geographic areas across the state, which may be done either in person or through teleconferencing centers, including relating to the following issues:
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(1) Medicaid and other social services programs;
(2) managed care under Medicaid and the child health plan program;
(3) health care quality initiatives;
(4) aging;
(5) persons with disabilities, including persons with autism;
(6) rehabilitation, including for persons with brain injuries;
(7) children;
(8) public health;
(9) behavioral health;
(10) regulatory matters;
(11) protective services; and
(12) prevention efforts.

(b) Chapter 2110 applies to an advisory committee established under this section.

(c) The executive commissioner shall adopt rules:
(1) in compliance with Chapter 2110 to govern an advisory committee's purpose, tasks, reporting requirements, and date of abolition; and
(2) related to an advisory committee's:
   (A) size and quorum requirements;
   (B) membership, including:
      (i) qualifications to be a member,
      (ii) required geographic representation;
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(iii) appointment procedures; and

(iv) terms of members; and

(C) duty to comply with the requirements for open

meetings under Chapter 551.

(d) An advisory committee established under this section

shall:

(1) report any recommendations to the executive

commissioner at a meeting of the Health and Human Services

Commission Executive Council established under Section 531.0051;

and

(2) submit a written report to the legislature of any

policy recommendations made to the executive commissioner under

Subdivision (1) [as needed].

(b) Not later than March 1, 2016, the executive commissioner

of the Health and Human Services Commission shall adopt rules under

Section 531.012, Government Code, as amended by this article. This

subsection takes effect September 1, 2015.

SECTION 3.03. Subchapter A, Chapter 531, Government Code,
is amended by adding Section 531.0121 to read as follows:

Sec. 531.0121. PUBLIC ACCESS TO ADVISORY COMMITTEE
MEETINGS. (a) This section applies to an advisory committee
established under Section 531.012.

(b) The commission shall create a master calendar that
includes all advisory committee meetings across the health and
human services system.

(c) The commission shall make available on the commission's
Internet website:
(1) the master calendar;
(2) all meeting materials for an advisory committee meeting; and
(3) streaming live video of each advisory committee meeting.

(d) The commission shall provide Internet access in each room used for a meeting that appears on the master calendar.

SECTION 3.04. Section 531.0216(b), Government Code, is amended to read as follows:

(b) In developing the system, the executive commissioner by rule shall:

(1) review programs and pilot projects in other states to determine the most effective method for reimbursement;

(2) establish billing codes and a fee schedule for services;

(3) provide for an approval process before a provider can receive reimbursement for services;

(4) consult with the Department of State Health Services [and the telemedicine and telehealth advisory committee] to establish procedures to:

(A) identify clinical evidence supporting delivery of health care services using a telecommunications system; and

(B) annually review health care services, considering new clinical findings, to determine whether reimbursement for particular services should be denied or authorized;
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(5) establish a separate provider identifier for
telemedicine medical services providers, telehealth services
providers, and home telemonitoring services providers; and
(6) establish a separate modifier for telemedicine
medical services, telehealth services, and home telemonitoring
services eligible for reimbursement.

SECTION 3.05. Section 531.02441(j), Government Code, is
amended to read as follows:

(j) The task force is abolished and this [This] section
expires September 1, 2017.

SECTION 3.06. Section 531.051(c), Government Code, as
amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
2015, is amended to read as follows:

(c) In adopting rules for the consumer direction models, the
executive commissioner shall:

(1) [with assistance from the work group established
under Section 531.052,] determine which services are appropriate
and suitable for delivery through consumer direction;
(2) ensure that each consumer direction model is
designed to comply with applicable federal and state laws;
(3) maintain procedures to ensure that a potential
consumer or the consumer's legally authorized representative has
adequate and appropriate information, including the
responsibilities of a consumer or representative under each service
delivery option, to make an informed choice among the types of
consumer direction models;
(4) require each consumer or the consumer's legally
authorized representative to sign a statement acknowledging receipt of the information required by Subdivision (3);

(5) maintain procedures to monitor delivery of services through consumer direction to ensure:

(A) adherence to existing applicable program standards;

(B) appropriate use of funds; and

(C) consumer satisfaction with the delivery of services;

(6) ensure that authorized program services that are not being delivered to a consumer through consumer direction are provided by a provider agency chosen by the consumer or the consumer's legally authorized representative; and

(7) [work in conjunction with the work group established under Section 531.052 to] set a timetable to complete the implementation of the consumer direction models.

SECTION 3.07. Section 531.067, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.067. PROGRAM TO IMPROVE AND MONITOR CERTAIN OUTCOMES OF RECIPIENTS UNDER CHILD HEALTH PLAN PROGRAM AND MEDICAID [PUBLIC ASSISTANCE HEALTH BENEFIT REVIEW AND DESIGN COMMITTEE]. The [(a) The commission shall appoint a Public Assistance Health Benefit Review and Design Committee. The committee consists of nine representatives of health care providers participating in Medicaid or the child health plan program, or both. The committee membership must include at least three representatives from each

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program.

(b) The executive commissioner shall designate one member to serve as presiding officer for a term of two years.

(c) The committee shall meet at the call of the presiding officer.

(d) The committee shall review and provide recommendations to the commission regarding health benefits and coverages provided under Medicaid, the child health plan program, and any other income-based health care program administered by the commission or a health and human services agency. In performing its duties under this subsection, the committee must:

(1) review benefits provided under each of the programs, and

(2) review procedures for addressing high utilization of benefits by recipients.

(e) The commission shall provide administrative support and resources as necessary for the committee to perform its duties under this section.

(f) Section 2110.00E does not apply to the committee.

(g) In performing the duties under this section, the commission may design and implement a program to improve and monitor clinical and functional outcomes of a recipient of services under Medicaid or the state child health plan program. The program may use financial, clinical, and other criteria based on pharmacy, medical services, and other claims data related to Medicaid or the child health plan program. The commission must report to the committee on the fiscal impact, including any savings associated
with the strategies utilized under this section.)

SECTION 3.08. (a) Section 531.0691, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is redesignated as Section 531.0735, Government Code, to read as follows:

Sec. 531.0735 [531.0691]. MEDICAID DRUG UTILIZATION REVIEW PROGRAM: DRUG USE REVIEWS AND ANNUAL REPORT. (a) In this section:

(1) "Medicaid Drug Utilization Review Program" means the program operated by the vendor drug program to improve the quality of pharmaceutical care under Medicaid.

(2) "Prospective drug use review" means the review of a patient's drug therapy and prescription drug order or medication order before dispensing or distributing a drug to the patient.

(3) "Retrospective drug use review" means the review of prescription drug claims data to identify patterns of prescribing.

(b) The commission shall provide for an increase in the number and types of retrospective drug use reviews performed each year under the Medicaid Drug Utilization Review Program, in comparison to the number and types of reviews performed in the state fiscal year ending August 31, 2009.

(c) In determining the number and types of drug use reviews to be performed, the commission shall:

(1) allow for the repeat of retrospective drug use reviews that address ongoing drug therapy problems and that, in previous years, improved client outcomes and reduced Medicaid spending;
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(2) consider implementing disease-specific retrospective drug use reviews that address ongoing drug therapy problems in this state and that reduced Medicaid prescription drug use expenditures in other states; and

(3) regularly examine Medicaid prescription drug claims data to identify occurrences of potential drug therapy problems that may be addressed by repeating successful retrospective drug use reviews performed in this state and other states.

(d) In addition to any other information required by federal law, the commission shall include the following information in the annual report regarding the Medicaid Drug Utilization Review Program:

(1) a detailed description of the program's activities; and

(2) estimates of cost savings anticipated to result from the program's performance of prospective and retrospective drug use reviews.

(e) The cost-saving estimates for prospective drug use reviews under Subsection (d) must include savings attributed to drug use reviews performed through the vendor drug program's electronic claims processing system and clinical edits screened through the prior authorization system implemented under Section 531.073.

(f) The commission shall post the annual report regarding the Medicaid Drug Utilization Review Program on the commission's website.
(b) Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0736 to read as follows:

Sec. 531.0736. DRUG UTILIZATION REVIEW BOARD. (a) In this section, "board" means the Drug Utilization Review Board.

(b) In addition to performing any other duties required by federal law, the board shall:

(1) develop and submit to the commission recommendations for preferred drug lists adopted by the commission under Section 531.072;

(2) suggest to the commission restrictions or clinical edits on prescription drugs;

(3) recommend to the commission educational interventions for Medicaid providers;

(4) review drug utilization across Medicaid; and

(5) perform other duties that may be specified by law and otherwise make recommendations to the commission.

(c) The executive commissioner shall determine the composition of the board, which must:

(1) comply with applicable federal law, including 42 C.F.R. Section 456.716;

(2) include two representatives of managed care organizations as nonvoting members, one of whom must be a physician and one of whom must be a pharmacist;

(3) include at least 17 physicians and pharmacists who:

(A) provide services across the entire population of Medicaid recipients and represent different
specialties, including at least one of each of the following types of physicians:

(i) a pediatrician;
(ii) a primary care physician;
(iii) an obstetrician and gynecologist;
(iv) a child and adolescent psychiatrist;
and
(v) an adult psychiatrist; and

(B) have experience in either developing or practicing under a preferred drug list; and

(4) include a consumer advocate who represents Medicaid recipients.

(c-1) The executive commissioner by rule shall develop and implement a process by which a person may apply to become a member of the board and shall post the application and information regarding the application process on the commission's Internet website.

(d) Members appointed under Subsection (c)(2) may attend quarterly and other regularly scheduled meetings, but may not:

(1) attend executive sessions; or
(2) access confidential drug pricing information.

(e) Members of the board serve staggered four-year terms.

(f) The voting members of the board shall elect from among the voting members a presiding officer. The presiding officer must be a physician.

(g) The board shall hold a public meeting quarterly at the call of the presiding officer and shall permit public comment.
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before voting on any changes in the preferred drug lists, the
adoption of or changes to drug use criteria, or the adoption of
prior authorization or drug utilization review proposals. The
location of the quarterly public meeting may rotate among different
geographic areas across this state, or allow for public input
through teleconferencing centers in various geographic areas
across this state. The board shall hold public meetings at other
times at the call of the presiding officer. Minutes of each meeting
shall be made available to the public not later than the 10th
business day after the date the minutes are approved. The board may
meet in executive session to discuss confidential information as
described by Subsection (i).

(h) In developing its recommendations for the preferred
drug lists, the board shall consider the clinical efficacy, safety,
and cost-effectiveness of and any program benefit associated with a
product.

(i) The executive commissioner shall adopt rules governing
the operation of the board, including rules governing the
procedures used by the board for providing notice of a meeting and
rules prohibiting the board from discussing confidential
information described by Section 531.071 in a public meeting. The
board shall comply with the rules adopted under this subsection and
Subsection (j).

(j) In addition to the rules under Subsection (i), the
executive commissioner by rule shall require the board or the
board's designee to present a summary of any clinical efficacy and
safety information or analyses regarding a drug under consideration
for a preferred drug list that is provided to the board by a private
entity that has contracted with the commission to provide the
information. The board or the board's designee shall provide the
summary in electronic form before the public meeting at which
consideration of the drug occurs. Confidential information
described by Section 531.071 must be omitted from the summary. The
summary must be posted on the commission's Internet website.

(k) To the extent feasible, the board shall review all drug
classes included in the preferred drug lists adopted under Section
531.072 at least once every 12 months and may recommend inclusions
to and exclusions from the lists to ensure that the lists provide
for a range of clinically effective, safe, cost-effective, and
medically appropriate drug therapies for the diverse segments of
the Medicaid population, children receiving health benefits
coverage under the child health plan program, and any other
affected individuals.

(l) The commission shall provide administrative support and
resources as necessary for the board to perform its duties.

(m) Chapter 2110 does not apply to the board.

(n) The commission or the commission's agent shall publicly
disclose, immediately after the board's deliberations conclude,
each specific drug recommended for or against preferred drug list
status for each drug class included in the preferred drug list for
the Medicaid vendor drug program. The disclosure must be posted on
the commission's Internet website not later than the 10th business
day after the date of conclusion of board deliberations that result
in recommendations made to the executive commissioner regarding the
placement of drugs on the preferred drug list. The public disclosure must include:

(1) the general basis for the recommendation for each drug class; and

(2) for each recommendation, whether a supplemental rebate agreement or a program benefit agreement was reached under Section 531.070.

(c) Section 531.0692, Government Code, is redesignated as Section 531.0737, Government Code, and amended to read as follows:

Sec. 531.0737 [531.0692]. [MEDICAID] DRUG UTILIZATION REVIEW BOARD: CONFLICTS OF INTEREST. (a) A voting member of the [board of the Medicaid] Drug Utilization Review Board [Program] may not have a contractual relationship, ownership interest, or other conflict of interest with a pharmaceutical manufacturer or labeler or with an entity engaged by the commission to assist in the development of the preferred drug lists or in the administration of the Medicaid Drug Utilization Review Program.

(b) The executive commissioner may implement this section by adopting rules that identify prohibited relationships and conflicts or requiring the board to develop a conflict-of-interest policy that applies to the board.

(d) Sections 531.072(c) and (e), Government Code, are amended to read as follows:

(c) In making a decision regarding the placement of a drug on each of the preferred drug lists, the commission shall consider:

(1) the recommendations of the Drug Utilization Review Board [Pharmaceutical and Therapeutics Committee established]
under Section 531.0736 [531.074];
(2) the clinical efficacy of the drug;
(3) the price of competing drugs after deducting any
federal and state rebate amounts; and
(4) program benefit offerings solely or in conjunction
with rebates and other pricing information.
(e) In this subsection, "labeler" and "manufacturer" have
the meanings assigned by Section 531.070. The commission shall
ensure that:
(1) a manufacturer or labeler may submit written
evidence supporting the inclusion of a drug on the preferred drug
lists before a supplemental agreement is reached with the
commission; and
(2) any drug that has been approved or has had any of
its particular uses approved by the United States Food and Drug
Administration under a priority review classification will be
reviewed by the Drug Utilization Review Board [Pharmaceutical and
Therapeutics Committee] at the next regularly scheduled meeting of
the board [committee]. On receiving notice from a manufacturer or
labeler of the availability of a new product, the commission, to the
extent possible, shall schedule a review for the product at the next
regularly scheduled meeting of the board [committee].
(e) Section 531.073(b), Government Code, is amended to read
as follows:
(b) The commission shall establish procedures for the prior
authorization requirement under the Medicaid vendor drug program to
ensure that the requirements of 42 U.S.C. Section 1396r-8(d)(5) and
its subsequent amendments are met. Specifically, the procedures
must ensure that:

(1) a prior authorization requirement is not imposed
for a drug before the drug has been considered at a meeting of the
Drug Utilization Review Board [Pharmaceutical and Therapeutics
Committee established] under Section 531.0736 [531.074];

(2) there will be a response to a request for prior
authorization by telephone or other telecommunications device
within 24 hours after receipt of a request for prior authorization;

and

(3) a 72-hour supply of the drug prescribed will be
provided in an emergency or if the commission does not provide a
response within the time required by Subdivision (2).

(f) Section 531.0741, Government Code, is amended to read as
follows:

Sec. 531.0741. PUBLICATION OF INFORMATION REGARDING
COMMISSION DECISIONS ON PREFERRED DRUG LIST PLACEMENT. The
commission shall publish on the commission's Internet website any
decisions on preferred drug list placement, including:

(1) a list of drugs reviewed and the commission's
decision for or against placement on a preferred drug list of each
drug reviewed;

(2) for each recommendation, whether a supplemental
rebate agreement or a program benefit agreement was reached under
Section 531.070; and

(3) the rationale for any departure from a
recommendation of the Drug Utilization Review Board
[pharmaceutical and therapeutics committee established] under Section 531.0736 [531.074].

(g) Section 531.074, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

(h) The term of a member serving on the Medicaid Drug Utilization Review Board on January 1, 2016, expires on February 29, 2016. Not later than March 1, 2016, the executive commissioner of the Health and Human Services Commission shall appoint the initial members to the Drug Utilization Review Board in accordance with Section 531.0736, Government Code, as added by this article, for terms beginning March 1, 2016. In making the initial appointments and notwithstanding Section 531.0736(e), Government Code, as added by this article, the executive commissioner shall designate as close to one-half as possible of the members to serve for terms expiring March 1, 2018, and the remaining members to serve for terms expiring March 1, 2020.

(i) Not later than February 1, 2016, and before making initial appointments to the Drug Utilization Review Board as provided by Subsection (h) of this section, the executive commissioner of the Health and Human Services Commission shall adopt and implement the application process required under Section 531.0736(c-1), Government Code, as added by this article.

(j) Not later than May 1, 2016, and except as provided by Subsection (i) of this section, the executive commissioner of the Health and Human Services Commission shall adopt or amend rules as necessary to reflect the changes in law made to the Drug Utilization
Review Board under Section 531.0736, Government Code, as added by this article, including rules that reflect the changes to the board's functions and composition.

SECTION 3.09. The heading to Subchapter D, Chapter 531, Government Code, is amended to read as follows:

SUBCHAPTER D. PLAN TO SUPPORT GUARDIANSHIPS [GUARDIANSHIP ADVISORY BOARD]

SECTION 3.10. Section 531.124, Government Code, is amended to read as follows:

Sec. 531.124. COMMISSION DUTIES. The [a] With the advice of the advisory board, the] commission shall develop and, subject to appropriations, implement a plan to:

(1) ensure that each incapacitated individual in this state who needs a guardianship or another less restrictive type of assistance to make decisions concerning the incapacitated individual's own welfare and financial affairs receives that assistance; and

(2) foster the establishment and growth of local volunteer guardianship programs.

[4b] The advisory board shall biennially review and comment on the minimum standards adopted under Section 111.041 and the plan implemented under Subsection (a) and shall include its conclusions in the report submitted under Section 531.1235.

SECTION 3.11. Section 531.907(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Based on [the recommendations of the advisory committee
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established under Section 531.904 and feedback provided by interested parties, the commission in stage two of implementing the health information exchange system may expand the system by:

(1) providing an electronic health record for each child enrolled in the child health plan program;

(2) including state laboratory results information in an electronic health record, including the results of newborn screenings and tests conducted under the Texas Health Steps program, based on the system developed for the health passport under Section 266.006, Family Code;

(3) improving data-gathering capabilities for an electronic health record so that the record may include basic health and clinical information in addition to available claims information, as determined by the executive commissioner;

(4) using evidence-based technology tools to create a unique health profile to alert health care providers regarding the need for additional care, education, counseling, or health management activities for specific patients; and

(5) continuing to enhance the electronic health record created for each Medicaid recipient as technology becomes available and interoperability capabilities improve.

SECTION 3.12. Section 531.909, Government Code, is amended to read as follows:

Sec. 531.909. INCENTIVES. The commission [and the advisory committee established under Section 531.904] shall develop strategies to encourage health care providers to use the health information exchange system, including incentives, education, and
outreach tools to increase usage.

SECTION 3.13. Section 533.00251(c), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) Subject to Section 533.0025 and notwithstanding any other law, the commission, in consultation with the advisory committee, shall provide benefits under Medicaid to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. In implementing this subsection, the commission shall ensure:

1. that the commission is responsible for setting the minimum reimbursement rate paid to a nursing facility under the managed care program, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement;

2. that a nursing facility is paid not later than the 10th day after the date the facility submits a clean claim;

3. the appropriate utilization of services consistent with criteria established by the commission;

4. a reduction in the incidence of potentially preventable events and unnecessary institutionalizations;

5. that a managed care organization providing services under the managed care program provides discharge planning, transitional care, and other education programs to physicians and hospitals regarding all available long-term care settings;

6. that a managed care organization providing services under the managed care program:
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1. (A) assists in collecting applied income from recipients; and
2. (B) provides payment incentives to nursing facility providers that reward reductions in preventable acute care costs and encourage transformative efforts in the delivery of nursing facility services, including efforts to promote a resident-centered care culture through facility design and services provided;

3. (7) the establishment of a portal that is in compliance with state and federal regulations, including standard coding requirements, through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims to any participating managed care organization;

4. (8) that rules and procedures relating to the certification and decertification of nursing facility beds under Medicaid are not affected; and

5. (9) that a managed care organization providing services under the managed care program, to the greatest extent possible, offers nursing facility providers access to:

   (A) acute care professionals; and

   (B) telemedicine, when feasible and in accordance with state law, including rules adopted by the Texas Medical Board.

SECTION 3.14. Section 533.00253, Government Code, is amended by amending Subsection (b), as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, and Subsection (f) to read as follows:
Subject to Section 533.0025, the commission shall, in consultation with the Children's Policy Council established under Section 22.035, Human Resources Code, establish a mandatory STAR Kids capitated managed care program tailored to provide Medicaid benefits to children with disabilities. The managed care program developed under this section must:

1. provide Medicaid benefits that are customized to meet the health care needs of recipients under the program through a defined system of care;
2. better coordinate care of recipients under the program;
3. improve the health outcomes of recipients;
4. improve recipients' access to health care services;
5. achieve cost containment and cost efficiency;
6. reduce the administrative complexity of delivering Medicaid benefits;
7. reduce the incidence of unnecessary institutionalizations and potentially preventable events by ensuring the availability of appropriate services and care management;
8. require a health home; and
9. coordinate and collaborate with long-term care service providers and long-term care management providers, if recipients are receiving long-term services and supports outside of the managed care organization.
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(f) The commission shall seek ongoing input from the Children's Policy Council regarding the establishment and implementation of the STAR Kids managed care program. This subsection expires on the date the Children's Policy Council is abolished under Section 22.035(n), Human Resources Code.

SECTION 3.15. Section 533.00254(f), Government Code, is amended to read as follows:

(f) On the first anniversary of the date the commission completes implementation of the STAR Kids Medicaid managed care program under Section 533.00253 [September 1, 2016]:

(1) the advisory committee is abolished; and

(2) this section expires.

SECTION 3.16. Section 533.00256(a), Government Code, is amended to read as follows:

(a) In consultation with [the Medicaid and CHIP Quality-Based Payment Advisory Committee established under Section 536.002 and other] appropriate stakeholders with an interest in the provision of acute care services and long-term services and supports under the Medicaid managed care program, the commission shall:

(1) establish a clinical improvement program to identify goals designed to improve quality of care and care management and to reduce potentially preventable events, as defined by Section 536.001; and

(2) require managed care organizations to develop and implement collaborative program improvement strategies to address the goals.
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SECTION 3.17. Section 534.053(g), Government Code, is amended to read as follows:

(g) On the one-year anniversary of the date the commission completes implementation of the transition required under Section 534.202 [January 1, 2024]:

(1) the advisory committee is abolished; and

(2) this section expires.

SECTION 3.18. Section 535.053, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The interagency coordinating group for faith- and community-based initiatives is composed of each faith- and community-based liaison designated under Section 535.051 and a liaison from the State Commission on National and Community Service. [The commission shall provide administrative support to the interagency coordinating group.]

(a-1) Service on the interagency coordinating group is an additional duty of the office or position held by each person designated as a liaison under Section 535.051(b). The state agencies described by Section 535.051(b) shall provide administrative support for the interagency coordinating group as coordinated by the presiding officer.

SECTION 3.19. Sections 535.055(a) and (b), Government Code, are amended to read as follows:

(a) The Texas Nonprofit Council is established to help direct the interagency coordinating group in carrying out the group's duties under this section. The state agencies of the
interagency coordinating group described by Section 535.051(b) shall provide administrative support to the council as coordinated by the presiding officer of the interagency coordinating group.

(b) The governor, in consultation with the presiding officer of the interagency coordinating group, shall appoint as members of the council two representatives from each of the following groups and entities to represent each group's and entity's appropriate sector:

1. statewide nonprofit organizations;
2. local governments;
3. faith-based groups, at least one of which must be a statewide interfaith group;
4. community-based groups;
5. consultants to nonprofit corporations; and
6. statewide associations of nonprofit organizations.

SECTION 3.20. Section 535.104(a), Government Code, is amended to read as follows:

(a) The commission shall:

1. contract with the State Commission on National and Community Service to administer funds appropriated from the account in a manner that:
   - consolidates the capacity of and strengthens national service and community and faith- and community-based initiatives; and
   - leverages public and private funds to benefit
(2) develop a competitive process to be used in awarding grants from account funds that is consistent with state law and includes objective selection criteria;

(3) oversee the delivery of training and other assistance activities under this subchapter;

(4) develop criteria limiting awards of grants under Section 535.105(1)(A) to small and medium-sized faith- and community-based organizations that provide charitable services to persons in this state;

(5) establish general state priorities for the account;

(6) establish and monitor performance and outcome measures for persons to whom grants are awarded under this subchapter; and

(7) establish policies and procedures to ensure that any money appropriated from the account to the commission that is allocated to build the capacity of a faith-based organization or for a faith-based initiative[, including money allocated for the establishment of the advisory committee under Section 535.108,] is not used to advance a sectarian purpose or to engage in any form of proselytization.

SECTION 3.21. Section 536.001(20), Government Code, is amended to read as follows:

(20) "Potentially preventable readmission" means a return hospitalization of a person within a period specified by the commission that may have resulted from deficiencies in the care or
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(42x756)
treatment provided to the person during a previous hospital stay or
(50x732)from deficiencies in post-hospital discharge follow-up. The term
does not include a hospital readmission necessitated by the
(49x707)occurrence of unrelated events after the discharge. The term
includes the readmission of a person to a hospital for:
(42x683)(A) the same condition or procedure for which the
(42x659)person was previously admitted;
(42x635)(B) an infection or other complication resulting
(42x610)from care previously provided;
(42x587)(C) a condition or procedure that indicates that
(42x562)a surgical intervention performed during a previous admission was
(42x539)unsuccesful in achieving the anticipated outcome; or
(42x514)(D) another condition or procedure of a similar
(42x490)nature, as determined by the executive commissioner [after
(42x466)consulting with the advisory committee].

SECTION 3.22. Section 536.003(a), Government Code, as
amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
2015, is amended to read as follows:

(a) The commission[ in consultation with the advisory
committee] shall develop quality-based outcome and process
measures that promote the provision of efficient, quality health
care and that can be used in the child health plan program and
Medicaid to implement quality-based payments for acute care
services and long-term services and supports across all delivery
models and payment systems, including fee-for-service and managed
care payment systems. Subject to Subsection (a-1), the commission,
in developing outcome and process measures under this section, must
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include measures that are based on potentially preventable events and that advance quality improvement and innovation. The commission may change measures developed:

(1) to promote continuous system reform, improved quality, and reduced costs; and

(2) to account for managed care organizations added to a service area.

SECTION 3.23. Section 536.004(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Using quality-based outcome and process measures developed under Section 536.003 and subject to this section, the commission, after consulting with [the advisory committee and other] appropriate stakeholders with an interest in the provision of acute care and long-term services and supports under the child health plan program and Medicaid, shall develop quality-based payment systems, and require managed care organizations to develop quality-based payment systems, for compensating a physician or other health care provider participating in the child health plan program or Medicaid that:

(1) align payment incentives with high-quality, cost-effective health care;

(2) reward the use of evidence-based best practices;

(3) promote the coordination of health care;

(4) encourage appropriate physician and other health care provider collaboration;

(5) promote effective health care delivery models; and
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(6) take into account the specific needs of the child health plan program enrollee and Medicaid recipient populations.

SECTION 3.24. Section 536.006(a), Government Code, is amended to read as follows:

(a) The commission [and the advisory committee] shall:

1. ensure transparency in the development and establishment of:

   (A) quality-based payment and reimbursement systems under Section 536.004 and Subchapters B, C, and D, including the development of outcome and process measures under Section 536.003; and

   (B) quality-based payment initiatives under Subchapter E, including the development of quality of care and cost-efficiency benchmarks under Section 536.204(a) and efficiency performance standards under Section 536.204(b);

2. develop guidelines establishing procedures for providing notice and information to, and receiving input from, managed care organizations, health care providers, including physicians and experts in the various medical specialty fields, and other stakeholders, as appropriate, for purposes of developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1);

3. in developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1), consider that as the performance of a managed care organization or physician or other health care provider improves with respect to an outcome or process measure, quality of care and
cost-efficiency benchmark, or efficiency performance standard, as applicable, there will be a diminishing rate of improved performance over time; and

(4) develop web-based capability to provide managed care organizations and health care providers with data on their clinical and utilization performance, including comparisons to peer organizations and providers located in this state and in the provider's respective region.

SECTION 3.25. Section 536.052(b), Government Code, is amended to read as follows:

(b) The commission[. after consulting with the advisory committee] shall develop quality of care and cost-efficiency benchmarks, including benchmarks based on a managed care organization's performance with respect to reducing potentially preventable events and containing the growth rate of health care costs.

SECTION 3.26. Section 536.102(a), Government Code, is amended to read as follows:

(a) Subject to this subchapter, the commission[. after consulting with the advisory committee] may develop and implement quality-based payment systems for health homes designed to improve quality of care and reduce the provision of unnecessary medical services. A quality-based payment system developed under this section must:

(1) base payments made to a participating enrollee's health home on quality and efficiency measures that may include measurable wellness and prevention criteria and use of
evidence-based best practices, sharing a portion of any realized cost savings achieved by the health home, and ensuring quality of care outcomes, including a reduction in potentially preventable events; and

(2) allow for the examination of measurable wellness and prevention criteria, use of evidence-based best practices, and quality of care outcomes based on the type of primary or specialty care provider practice.

SECTION 3.27. Section 536.152(a), Government Code, is amended to read as follows:

(a) Subject to Subsection (b), using the data collected under Section 536.151 and the diagnosis-related groups (DRG) methodology implemented under Section 536.005, if applicable, the commission[

shall to the extent feasible adjust child health plan and Medicaid reimbursements to hospitals, including payments made under the disproportionate share hospitals and upper payment limit supplemental payment programs, based on the hospital's performance with respect to exceeding, or failing to achieve, outcome and process measures developed under Section 536.003 that address the rates of potentially preventable readmissions and potentially preventable complications.

SECTION 3.28. Section 536.202(a), Government Code, is amended to read as follows:

(a) The commission shall[

establish payment initiatives to test the effectiveness of quality-based payment systems, alternative
payment methodologies, and high-quality, cost-effective health care delivery models that provide incentives to physicians and other health care providers to develop health care interventions for child health plan program enrollees or Medicaid recipients, or both, that will:

1. improve the quality of health care provided to the enrollees or recipients;
2. reduce potentially preventable events;
3. promote prevention and wellness;
4. increase the use of evidence-based best practices;
5. increase appropriate physician and other health care provider collaboration;
6. contain costs; and
7. improve integration of acute care services and long-term services and supports, including discharge planning from acute care services to community-based long-term services and supports.

SECTION 3.29. Section 536.204(a), Government Code, is amended to read as follows:

(a) The executive commissioner shall:

(1) consult with the advisory committee to develop quality of care and cost-efficiency benchmarks and measurable goals that a payment initiative must meet to ensure high-quality and cost-effective health care services and healthy outcomes; and

(2) approve benchmarks and goals developed as provided by Subdivision (1).

SECTION 3.30. Section 536.251(a), Government Code, is
amended to read as follows:

(a) Subject to this subchapter, the commission, after consulting with [the advisory committee and other] appropriate stakeholders representing nursing facility providers with an interest in the provision of long-term services and supports, may develop and implement quality-based payment systems for Medicaid long-term services and supports providers designed to improve quality of care and reduce the provision of unnecessary services. A quality-based payment system developed under this section must base payments to providers on quality and efficiency measures that may include measurable wellness and prevention criteria and use of evidence-based best practices, sharing a portion of any realized cost savings achieved by the provider, and ensuring quality of care outcomes, including a reduction in potentially preventable events.

SECTION 3.31. Section 538.052(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Subject to Subsection (b), the commission shall solicit and accept suggestions for clinical initiatives, in either written or electronic form, from:

(1) a member of the state legislature;
(2) the executive commissioner;
(3) the commissioner of aging and disability services;
(4) the commissioner of state health services;
(5) the commissioner of the Department of Family and Protective Services;
(6) the commissioner of assistive and rehabilitative
services;
(7) the medical care advisory committee established
under Section 32.022, Human Resources Code; and
(8) the physician payment advisory committee created
under Section 32.022(d), Human Resources Code[ and
(9) the Electronic Health Information Exchange
System Advisory Committee established under Section 531.904].

SECTION 3.32. Section 98.1046(a), Health and Safety Code,
is amended to read as follows:
(a) The [in consultation with the Texas Institute of Health
Care Quality and Efficiency under Chapter 1002, the] department,
using data submitted under Chapter 108, shall publicly report for
hospitals in this state risk-adjusted outcome rates for those
potentially preventable complications and potentially preventable
readmissions that the department[, in consultation with the
institute,] has determined to be the most effective measures of
quality and efficiency.

SECTION 3.33. Section 98.1047(a), Health and Safety Code,
is amended to read as follows:
(a) The [in consultation with the Texas Institute of Health
Care Quality and Efficiency under Chapter 1002, the] department
shall study which adverse health conditions commonly occur in
long-term care facilities and, of those health conditions, which
are potentially preventable.

SECTION 3.34. Section 98.1065, Health and Safety Code, is
amended to read as follows:
Sec. 98.1065. STUDY OF INCENTIVES AND RECOGNITION FOR
HEALTH CARE QUALITY. The department, in consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter 1002, shall conduct a study on developing a recognition program to recognize exemplary health care facilities for superior quality of health care and make recommendations based on that study.

SECTION 3.35. Section 22.035, Human Resources Code, is amended by adding Subsection (n) to read as follows:

(n) The work group is abolished and this section expires September 1, 2017.

SECTION 3.36. (a) Section 32.022(b), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b) The executive commissioner shall appoint the committee in compliance with the requirements of the federal agency administering medical assistance. The appointments shall:

(1) provide for a balanced representation of the general public, providers, consumers, and other persons, state agencies, or groups with knowledge of and interest in the committee's field of work; and

(2) include one member who is the representative of a managed care organization.

(b) Not later than January 1, 2016, the executive commissioner of the Health and Human Services Commission shall appoint an additional member to the medical care advisory committee in accordance with Section 32.022(b)(2), Human Resources Code, as added by this article.

SECTION 3.37. Section 32.0641(a), Human Resources Code, as
amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) To the extent permitted under and in a manner that is consistent with Title XIX, Social Security Act (42 U.S.C. Section 1396 et seq.) and any other applicable law or regulation or under a federal waiver or other authorization, the executive commissioner shall adopt, after consulting with the Medicaid and CHIP Quality-Based Payment Advisory Committee established under Section 536.002, Government Code, cost-sharing provisions that encourage personal accountability and appropriate utilization of health care services, including a cost-sharing provision applicable to a recipient who chooses to receive a nonemergency medical service through a hospital emergency room.

SECTION 3.38. Section 1352.004(b), Insurance Code, is amended to read as follows:

(b) The commissioner by rule shall require a health benefit plan issuer to provide adequate training to personnel responsible for preauthorization of coverage or utilization review under the plan. The purpose of the training is to prevent denial of coverage in violation of Section 1352.003 and to avoid confusion of medical benefits with mental health benefits. The commissioner, in consultation with the Texas Traumatic Brain Injury Advisory Council, shall prescribe by rule the basic requirements for the training described by this subsection.

SECTION 3.39. Section 1352.005(b), Insurance Code, is amended to read as follows:

(b) The commissioner, in consultation with the Texas
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Traumatic Brain Injury Advisory Council, shall prescribe by rule the specific contents and wording of the notice required under this section.

SECTION 3.40. (a) The following provisions of the Government Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

1. Section 531.0217(j);
2. Section 531.02172;
3. Section 531.02173(c);
4. Section 531.052;
5. Section 531.0571;
6. Section 531.068;
7. Sections 531.121(1), (5), and (6);
8. Section 531.122;
9. Section 531.123;
10. Section 531.1235;
11. Section 531.251;
12. Subchapters R and T, Chapter 531;
13. Section 531.904;
14. Section 533.00251(a)(1);
15. Section 533.00252;
16. Sections 533.00255(e) and (f);
17. Section 533.00285;
18. Subchapters B and C, Chapter 533;
19. Section 535.055(f);
20. Section 535.108;
21. Section 536.001(1);
(22) Section 536.002; and
(23) Section 536.007(b).

(b) The following provisions of the Health and Safety Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

(1) Subchapter C, Chapter 32;
(2) Section 62.151(e);
(3) Section 62.157(1(c);
(4) Section 81.010;
(5) Section 92.011;
(6) Subchapter B, Chapter 92;
(7) Chapter 115; and
(8) Chapter 1002.

(c) Section 32.022(e), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

(d) Section 848.001(7), Insurance Code, is repealed.

SECTION 3.41. On the effective date of this article, the following advisory committees are abolished:

(1) the advisory committee on Medicaid and child health plan program rate and expenditure disparities;
(2) the Advisory Committee on Qualifications for Health Care Translators and Interpreters;
(3) the Behavioral Health Integration Advisory Committee;
(4) the Consumer Direction Work Group;
(5) the Council on Children and Families;
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1. (6) the Electronic Health Information Exchange System
2. Advisory Committee;
3. (7) the Guardianship Advisory Board;
4. (8) the hospital payment advisory committee;
5. (9) the Interagency Coordinating Council for HIV and Hepatitis;
6. (10) the Medicaid and CHIP Quality-Based Payment Advisory Committee;
7. (11) each Medicaid managed care advisory committee appointed for a health care service region under Subchapter B, Chapter 533, Government Code;
8. (12) the Public Assistance Health Benefit Review and Design Committee;
9. (13) the renewing our communities account advisory committee;
10. (14) the STAR + PLUS Nursing Facility Advisory Committee;
11. (15) the STAR + PLUS Quality Council;
12. (16) the state Medicaid managed care advisory committee;
13. (17) the task force on domestic violence;
14. (18) the Interagency Task Force for Children With Special Needs;
15. (19) the telemedicine and telehealth advisory committee;
16. (20) the Texas Institute of Health Care Quality and Efficiency;
the Texas System of Care Consortium;
the Texas Traumatic Brain Injury Advisory Council; and
the volunteer advocate program advisory committee.

SECTION 3.42. (a) Not later than November 1, 2015, the executive commissioner of the Health and Human Services Commission shall publish in the Texas Register:
(1) a list of the new advisory committees established or to be established as a result of this article, including the advisory committees required under Section 531.012(a), Government Code, as amended by this article; and
(2) a list that identifies the advisory committees listed in Section 3.41 of this article:
(A) that will not be continued in any form; or
(B) whose functions will be assumed by a new advisory committee established under Section 531.012(a), Government Code, as amended by this article.
(b) The executive commissioner of the Health and Human Services Commission shall ensure that an advisory committee established under Section 531.012(a), Government Code, as amended by this article, begins operations immediately on its establishment to ensure ongoing public input and engagement.
(c) This section takes effect September 1, 2015.

SECTION 3.43. Except as otherwise provided by this article, this article takes effect January 1, 2016.
ARTICLE 4. CONTINUATION OF HEALTH AND HUMAN SERVICES POWERS AND DUTIES

SECTION 4.01. Section 531.004, Government Code, is amended to read as follows:

Sec. 531.004. SUNSET PROVISION. The Health and Human Services Commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2027.

SECTION 4.02. Section 108.016, Health and Safety Code, is amended to read as follows:

Sec. 108.016. SUNSET REVIEW. Unless the department is continued in existence in accordance with Chapter 325, Government Code (Texas Sunset Act), after the review required by Section 1001.003, this chapter expires on the date the department is abolished under that section.

SECTION 4.03. Section 1001.003, Health and Safety Code, is amended to read as follows:

Sec. 1001.003. SUNSET PROVISION. The Department of State Health Services is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2023.

SECTION 4.04. Section 40.003, Human Resources Code, is amended to read as follows:

Sec. 40.003. SUNSET PROVISION. The Department of Family and Protective Services is subject to Chapter 325, Government Code

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(Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2023.

SECTION 4.05. Section 117.003, Human Resources Code, is amended to read as follows:

Sec. 117.003. SUNSET PROVISION. Unless the commission is [The Department of Assistive and Rehabilitative Services is subject to Chapter 325, Government Code (Texas Sunset Act). Unless] continued in existence as provided by Chapter 325, Government Code [that chapter], after the review required by Section 531.004, Government Code, [the department is abolished and] this chapter expires on the date the commission is abolished under that section [September 1, 2015].

SECTION 4.06. Section 161.003, Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 161.003. SUNSET PROVISION. Unless the commission is [The department is subject to Chapter 325, Government Code (Texas Sunset Act). Unless] continued in existence as provided by Chapter 325, Government Code [that chapter], after the review required by Section 531.004, Government Code, [the department is abolished and] this chapter expires on the date the commission is abolished under that section [September 1, 2015].

ARTICLE 5. VITAL STATISTICS

SECTION 5.01. Subchapter A, Chapter 191, Health and Safety Code, is amended by adding Section 191.0031 to read as follows:

Sec. 191.0031. CERTIFIED COPIES BY MAIL. The state
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registrar or a local registrar may not issue a certified copy of a record under this chapter to a person who has applied for the record by mail unless the person has provided notarized proof of identity in accordance with rules adopted by the executive commissioner of the Health and Human Services Commission. The rules may require the issuer of the certified copy to verify the notarization using the records of the secretary of state under Section 406.012, Government Code.

SECTION 5.02. Section 191.022, Health and Safety Code, is amended by adding Subsection (g) to read as follows:

(g) Each local registrar shall annually submit a self-assessment report to the state registrar. The department shall prescribe the information that must be included in the report to allow a thorough desk audit of a local registrar.

SECTION 5.03. Chapter 191, Health and Safety Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. ACCESS TO RECORDS

Sec. 191.071. CRIMINAL BACKGROUND CHECK REQUIRED. (a) A person may not access vital records maintained by the department under this chapter and may not access the department's vital records electronic registration system unless the department, or another person acting on behalf of the department, has conducted a fingerprint-based criminal background check, using state and federal databases, on the person in accordance with department policy and the person's record is satisfactory as determined under department policy.

(b) The department may adopt a policy waiving the
requirement of a fingerprint-based background check for a person who previously submitted to a fingerprint-based background check as a condition of licensure by a state agency.

SECTION 5.04. Section 411.110(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) The Department of State Health Services is entitled to obtain from the department criminal history record information maintained by the department that relates to:

(1) a person who is:

(A) an applicant for a license or certificate under the Emergency Health Care Act (Chapter 773, Health and Safety Code);

(B) an owner or manager of an applicant for an emergency medical services provider license under that Act; or

(C) the holder of a license or certificate under that Act;

(2) an applicant for a license or a license holder under Subchapter N, Chapter 431, Health and Safety Code;

(3) an applicant for a license, the owner or manager of an applicant for a massage establishment license, or a license holder under Chapter 455, Occupations Code;

(4) an applicant for employment at or current employee of:

(A) a public health hospital as defined by Section 13.033, Health and Safety Code; or

(B) the South Texas Health Care System;
(5) an applicant for employment at, current employee
of, or person who contracts or may contract to provide goods or
services with

[A] the vital statistics unit of the Department
of State Health Services; or

[B] the Council on Sex Offender Treatment or
other division or component of the Department of State Health
Services that monitors sexually violent predators as described by
Section 841.003(a), Health and Safety Code; or

(6) a person authorized to access vital records or the
vital records electronic registration system under Chapter 191,
Health and Safety Code, including an employee of or contractor for
the Department of State Health Services, a local registrar, a
medical professional, or a funeral director.

SECTION 5.05. In prescribing the initial requirements for
local registrar self-assessment reports under Section 191.022(g),
Health and Safety Code, as added by this article, the Department of
State Health Services shall solicit comment from local registrars
in this state.

SECTION 5.06. The Department of State Health Services shall
prescribe policies necessary to implement Subchapter D, Chapter
191, Health and Safety Code, as added by this article, to take
effect March 1, 2016.

ARTICLE 6. FEDERAL AUTHORIZATION AND EFFECTIVE DATE

SECTION 6.01. If before implementing any provision of this
Act a state agency determines that a waiver or authorization from a
federal agency is necessary for implementation of that provision,
the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 6.02. Except as otherwise provided by this Act, this Act takes effect September 1, 2015.
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President of the Senate

Speaker of the House

I hereby certify that S.B. No. 200 passed the Senate on April 15, 2015, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 28, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 200 passed the House, with amendments, on May 25, 2015, by the following vote: Yeas 143, Nays 1, one present not voting.

Chief Clerk of the House

Approved:

6-14-2015

Date

Governor

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FILED IN THE OFFICE OF THE SECRETARY OF STATE
JUN 17 2015
Secretary of State
TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB200 by Nelson (Relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.), As Engrossed

The fiscal implications of the bill cannot be determined at this time due to the lack of information necessary to make accurate assumptions to determine a fiscal impact. A specific discussion of the elements with fiscal implications is included below.

The bill would partially implement the Sunset Advisory Commission recommendations concerning the Health and Human Services Commission (HHSC). The bill would consolidate, in two phases, portions of the five health and human service agencies into a single health and human services agency. Specifically, client services across the system would be consolidated by 9/1/2016; institutions and regulatory functions would be consolidated by 9/1/2017; and all administrative functions that are feasible and desirable to consolidate would be consolidated by 9/1/2017. Further, prevention programs across the system would be consolidated at the Department of Family and Protective Services (DFPS) by 9/1/2016. The result of these transfers would abolish and transfer the functions of the Department of Assistive and Rehabilitative Services (DARS) by 9/1/2016, and the Department of Aging and Disability Services (DADS) by 9/1/2017.

The bill would require the executive commissioner of HHSC to develop and submit a transition plan by 3/1/2016. The bill would require the plan to define the programs contained in each type of function to be transferred, including client services, regulatory, institutions, public health, and adult and child protective services. The bill would create the Transition Legislative Oversight Committee to facilitate and report on the transfer of functions contained in the bill.

The bill continues the consolidated health and human service agency for 12 years (until 9/1/2027) and requires a limited-scope review by the Sunset Advisory Commission related to progress of the reorganization in 2023. The bill would also continue DFPS and the Department of State Health Services (DSHS) as independent agencies with a Sunset date 9/1/2023. The HHSC executive commissioner and the Transition Legislative Oversight Committee shall study and report, by 9/1/2018, whether DFPS and DSHS should continue independently or be merged into HHSC. The bill would take effect on September 1, 2015.

Based on the analysis provided by HHSC, the cost or savings of the provisions of this bill in fiscal years 2016 and 2017 cannot be determined; there are both costs and savings that would be incurred over this period, and therefore some elements will net out. HHSC anticipates costs and savings throughout the implementation and operational (maintenance) years. Costs are expected
by HHSC to exceed savings until after fiscal year 2020.

The following provisions of the bill could have a fiscal impact:

-Section 1 reorganizes portions of the five health and human services agencies in two phases, which could result in cost savings from more accountable operations, more streamlined services, and increased consolidation of administrative functions. This reorganization includes consolidation of the health and human service system's internal audit functions. Savings could be achieved through more efficient operations and organizational streamlining, including contract consolidation, in several administrative and support areas including legal, internal audit, governmental relations, budget/accounting, information technology, contract management and oversight, rate analysis, facilities management, human resources, ombudsman, and other administrative management. Contract consolidation could result in significant savings in the future, but the timing and scope is unknown due to a lack of information. Available information does not allow for quantification of these savings elements at this time.

Alternatively, costs would occur from development of a transition structure and formation of a transition team, employment of new division directors, modifications to information technology, financial, and administrative systems to support the new organization, rebranding signage and various office products to reflect the new organization (although this adjustment is anticipated to happen over time), creation of the policy and performance office, transition of employees and email accounts, and maintenance of legacy systems and data access during the transition period. The modifications to information technology, financial and administrative systems could result in a significant cost, estimated to be $8 million by HHSC.

-Sections 2.05 and 2.07 require HHSC to create an approval process and standard criteria for all system websites and policies governing hotlines and call centers which could produce savings from streamlined websites and hotlines and potentially fewer consumer contacts and complaints.

-Sections 2.09 and 2.17 require HHSC to streamline the Medicaid provider enrollment and credentialing process which would result in web-based portal development costs.

-Section 2.13 requires the Office of Inspector General (OIG) to complete provider criminal history background checks on providers who have not previously been reviewed by a licensing board. The provisions require OIG to complete the criminal history background check within ten days of a completed application, which may result in costs associated with increased FTEs and enhanced information technology requirements.

-Section 2.18 requires HHSC to assist with Medicaid eligibility statewide which could result in savings associated with obtaining federal matching funds for those who lose funds when they are otherwise eligible.

-Section 3.02 establishes issue areas that advisory committees may be created to support. A reduction in the number of advisory committees could result in savings, to the degree such committees aren't reestablished in rule.

-Section 3.08 combines the Pharmaceutical and Therapeutics Committee and the Drug Utilization Review Board which could result in savings, by consolidating the vendor contracts that support the separate committees.

Local Government Impact
No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 503 Texas Medical Board, 781 Higher Education Coordinating Board

**LBB Staff:** UP, NB, MB, CH, WP, ER, EMo
TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services
FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB200 by Nelson (relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.), Committee Report 1st House, Substituted

The fiscal implications of the bill cannot be determined at this time due to the lack of information necessary to make accurate assumptions to determine a fiscal impact. A specific discussion of the elements with fiscal implications is included below.

The bill would partially implement the Sunset Advisory Commission recommendations concerning the Health and Human Services Commission (HHSC) and the consolidation of the five health and human service agencies by September 1, 2016, except the child and adult protective services functions at the Department of Family and Protective Services, and the public health and data collection functions at the Department of State Health Services are to be consolidated by September 1, 2019. The bill continues the consolidated health and human service agency for 12 years and requires a limited-scope review by the Sunset Advisory Commission related to progress of the reorganization in 2023. The bill would take effect on September 1, 2015.

Based on the analysis provided by HHSC, the cost or savings of the provisions of this bill in fiscal years 2016 and 2017 cannot be determined; there are both costs and savings that would be incurred over this period, and therefore some elements will net out. Beginning in fiscal year 2019, HHSC assumes an annual net savings from the consolidation of approximately $4.1 million in General Revenue Funds, $13.8 million in All Funds, or 1 percent of the administrative and support budgets across the 5 health and human service agencies. There would be both indeterminate costs and savings in fiscal years 2016 through 2018.

The following provisions of the bill could have a fiscal impact:

- Section 1 reorganizes the five health and human services agencies in two phases, which could result in cost savings from more accountable operations, more streamlined services, and increased consolidation of administrative functions. This reorganization includes consolidation of the health and human service system's internal audit functions. Savings could be achieved through more efficient operations and organizational streamlining, including contract consolidation, in several administrative and support areas including legal, internal audit, governmental relations, budget/accounting, information technology, contract management and oversight, rate analysis, facilities management, human resources, ombudsman, and other administrative management. Contract consolidation could result in significant savings in the future, but the timing and scope is unknown due to a lack of information. Available information does not allow for quantification of these savings elements at this time.
Alternatively, costs would occur from development of a transition structure and formation of a transition team, employment of new division directors, modifications to information technology, financial, and administrative systems to support the new organization, rebranding signage and various office products to reflect the new organization (although this adjustment is anticipated to happen over time), creation of the policy and performance office, transition of employees and email accounts, and maintenance of legacy systems and data access during the transition period. The modifications to information technology, financial and administrative systems could result in a significant cost, estimated to be $8 million by HHSC.

-Sections 2.06 and 2.08 require HHSC to create an approval process and standard criteria for all system websites and policies governing hotlines and call centers which could produce savings from streamlined websites and hotlines and potentially fewer consumer contacts and complaints.

-Section 2.10 requires HHSC to streamline the Medicaid provider enrollment and credentialing process which would result in web-based portal development costs.

-Section 2.14 requires the Office of Inspector General (OIG) to complete provider criminal history background checks on providers who have not previously been reviewed by a licensing board. The provisions require OIG to complete the criminal history background check within ten days of a completed application, which may result in costs associated with increased FTEs and enhanced information technology requirements.

-Section 2.19 requires HHSC to assist with Medicaid eligibility statewide which could result in savings associated with obtaining federal matching funds for those who lose funds when they are otherwise eligible.

-Section 3.02 abolishes a number of advisory committees which could result in savings, to the degree such committees aren't reestablished in rule.

-Section 3.10 combines the Pharmaceutical and Therapeutics Committee and the Drug Utilization review Board which could result in savings, by consolidating the vendor contracts that support the separate committees.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 503 Texas Medical Board, 781 Higher Education Coordinating Board

**LBB Staff:** UP, NB, MB, CH, WP, ER, EMo
TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services
FROM: Ursula Parks, Director, Legislative Budget Board
IN RE: SB200 by Nelson (Relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.), As Introduced

The fiscal implications of the bill cannot be determined at this time due to the lack of information necessary to make accurate assumptions to determine a fiscal impact. A specific discussion of the elements with fiscal implications is included below.

The bill would partially implement the Sunset Advisory Commission recommendations concerning the Health and Human Services Commission (HHSC) and the consolidation of the five health and human service agencies. The bill continues the consolidated health and human service agency for 12 years and requires a limited-scope review by the Sunset Advisory Commission related to progress of the reorganization in 2023. The bill would take effect on September 1, 2015.

Based on the analysis provided by HHSC, the cost or savings of the provisions of this bill in fiscal years 2016 and 2017 cannot be determined; there are both costs and savings that would be incurred over this period, and therefore some elements will net out. Beginning in fiscal year 2019, HHSC assumes an annual net savings from the consolidation of approximately $4.1 million in General Revenue Funds, $13.8 million in All Funds, or 1 percent of the administrative and support budgets across the 5 health and human service agencies. There would be both indeterminate costs and savings in fiscal years 2016 through 2018.

The following provisions of the bill could have a fiscal impact:

-Section 1 reorganizes the five health and human services agencies into one which could result in cost savings from more accountable operations, more streamlined services, and increased consolidation of administrative functions. This reorganization includes consolidation of the health and human service system's internal audit functions. Savings could be achieved through more efficient operations and organizational streamlining, including contract consolidation, in several administrative and support areas including legal, internal audit, governmental relations, budget/accounting, information technology, contract management and oversight, rate analysis, facilities management, human resources, ombudsman, and other administrative management. Contract consolidation could result in significant savings in the future, but the timing and scope is unknown due to a lack of information. Available information does not allow for quantification of these savings elements at this time.

Alternatively, costs would occur from development of a transition structure and formation of a transition team, employment of new division directors, modifications to information technology,
financial, and administrative systems to support the new organization, rebranding signage and various office products to reflect the new organization (although this adjustment is anticipated to happen over time), creation of the policy and performance office, transition of employees and email accounts, and maintenance of legacy systems and data access during the transition period. The modifications to information technology, financial and administrative systems could result in a significant cost, estimated to be $8 million by HHSC.

-Sections 2.06 and 2.08 require HHSC to create an approval process and standard criteria for all system websites and policies governing hotlines and call centers which could produce savings from streamlined websites and hotlines and potentially fewer consumer contacts and complaints.

-Section 2.10 requires HHSC to streamline the Medicaid provider enrollment and credentialing process which would result in web-based portal development costs.

-Section 2.14 requires the Office of Inspector General (OIG) to complete provider criminal history background checks on providers who have not previously been reviewed by a licensing board. The provisions require OIG to complete the criminal history background check within ten days of a completed application, which may result in costs associated with increased FTEs and enhanced information technology requirements.

-Section 2.19 requires HHSC to assist with Medicaid eligibility statewide which could result in savings associated with obtaining federal matching funds for those who lose funds when they are otherwise eligible.

-Section 3.02 abolishes a number of advisory committees which could result in savings, to the degree such committees aren't reestablished in rule.

-Section 3.10 combines the Pharmaceutical and Therapeutics Committee and the Drug Utilization review Board which could result in savings, by consolidating the vendor contracts that support the separate committees.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 503 Texas Medical Board, 529 Health and Human Services Commission, 781 Higher Education Coordinating Board

LBB Staff: UP, NB, MB, CH, WP, ER, EMo