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Chapter 837

S.B. No. 200

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

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1 (3) transfers of administrative support services
2 functions occur in accordance with Section 531.02012.

3 Sec. 531.02002. MEANING OF FUNCTION IN RELATION TO
4 TRANSFERS. For purposes of the transfers mandated by this
5 subchapter, "function" includes a power, duty, program, or activity
6 of a state agency or entity.

7 Sec. 531.0201. PHASE ONE: INITIAL TRANSFERS. (a) On the
8 dates specified in the transition plan required under Section
9 531.0204, the following functions are transferred to the commission
10 as provided by this subchapter:

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

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

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

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

21 (C) the Department of State Health Services.

22 (b) On the dates specified in the transition plan required
23 under Section 531.0204, all functions in the health and human
24 services system related to prevention and early intervention
25 services, including the Nurse-Family Partnership Competitive Grant
26 Program under Subchapter C, Chapter 265, Family Code, are
27 transferred to the Department of Family and Protective Services.

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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

1 contributes to the effective performance of the system.
2 Consolidation of an administrative support services function under
3 this section must be conducted in accordance with the principles
4 and requirements for organization of administrative support
5 services under Section 531.00553(c).

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

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

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

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

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

26 Sec. 531.02013. FUNCTIONS REMAINING WITH CERTAIN AGENCIES.
27 The following functions are not subject to transfer under Sections

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1 531.0201 and 531.02011:

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

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

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

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

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

16 (C) prevention and early intervention services;
17 and

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

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

1 required under Section 531.0204:

2 (1) all obligations and contracts, including
3 obligations and contracts related to a grant program;

4 (2) all property and records in the custody of the
5 state agency or entity from which the function is transferred;

6 (3) all funds appropriated by the legislature and
7 other money; and

8 (4) all complaints, investigations, or contested
9 cases that are pending before the state agency or entity from which
10 the function is transferred or a governing person or entity of the
11 state agency or entity, without change in status.

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

18 (1) until altered by the commission or other receiving
19 state agency, as applicable; or

20 (2) unless it conflicts with a rule, policy, or form of
21 the receiving state agency.

22 (c) A license, permit, or certification in effect that was
23 issued by a state agency or entity from which functions are
24 transferred under Section 531.0201 or 531.02011 that relates to a
25 function that is transferred under either of those sections is
26 continued in effect as a license, permit, or certification of the
27 commission upon transfer of the related function until the license,

1 permit, or certification expires, is suspended or revoked, or
2 otherwise becomes invalid.

3 Sec. 531.0202. ABOLITION OF STATE AGENCIES AND ENTITIES;
4 EFFECT OF TRANSFERS. (a) Each of the following state agencies and
5 entities is abolished on a date that is within the period prescribed
6 by Section 531.02001(1), that is specified in the transition plan
7 required under Section 531.0204 for the abolition of the agency or
8 entity, and that occurs after all of the agency's or entity's
9 functions have been transferred in accordance with Section
10 531.0201:

11 (1) the Department of Assistive and Rehabilitative
12 Services;

13 (2) the Health and Human Services Council;

14 (3) the Aging and Disability Services Council;

15 (4) the Assistive and Rehabilitative Services
16 Council;

17 (5) the Family and Protective Services Council;

18 (6) the State Health Services Council; and

19 (7) the Texas Council on Autism and Pervasive
20 Developmental Disorders.

21 (b) The following state agency and entity are abolished on a
22 date that is within the period prescribed by Section 531.02001(2),
23 that is specified in the transition plan required under Section
24 531.0204 for the abolition of the state agency or entity, and that
25 occurs after all of the state agency's or entity's functions have
26 been transferred to the commission in accordance with Sections
27 531.0201 and 531.02011:

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1 (1) the Department of Aging and Disability Services;
2 and

3 (2) the Office for the Prevention of Developmental
4 Disabilities.

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

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

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

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

27 (1) four members of the senate, appointed by the

1 lieutenant governor;

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

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

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

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

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

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

18 (h) The committee shall:

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

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

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

1 functions;

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

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

10 (3) meet:

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

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

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

23 (i) Chapter 551 applies to the committee.

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

1 related to:

2 (1) the transfer of functions under Sections 531.0201,
3 531.02011, and 531.02012 to the commission and the Department of
4 Family and Protective Services, including the need for any
5 additional statutory changes required to complete the transfer of
6 prevention and early intervention services functions to the
7 department in accordance with this subchapter; and

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

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

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

22 (b) Not later than December 1, 2018, the Health and Human
23 Services Transition Legislative Oversight Committee shall review
24 the report and recommendation submitted under Subsection (a) and
25 submit a report and recommendation to the legislature regarding the
26 need to continue the Department of Family and Protective Services
27 and the Department of State Health Services as state agencies

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1 separate from the commission.

2 (c) The Health and Human Services Transition Legislative
3 Oversight Committee shall include the following in the report
4 submitted to the legislature under Subsection (b):

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

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

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

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

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

20 Sec. 531.0204. TRANSITION PLAN FOR IMPLEMENTATION OF
21 CONSOLIDATION. (a) The transfers of functions under Sections
22 531.0201, 531.02011, and 531.02012 must be accomplished in
23 accordance with a transition plan developed by the executive
24 commissioner that ensures that the transfers and provision of
25 health and human services in this state are accomplished in a
26 careful and deliberative manner. The transition plan must:

27 (1) include an outline of the commission's reorganized

1 structure, including its divisions, in accordance with this
2 subchapter, Sections 531.00561, 531.00562, and 531.008, and other
3 provisions enacted by the 84th Legislature that become law;

4 (2) include details regarding movement of functions
5 and a timeline that, subject to the periods prescribed by Section
6 531.02001, specifies the dates on which:

7 (A) the transfers under Sections 531.0201,
8 531.02011, and 531.02012 are to be made;

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

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

13 (3) for purposes of Sections 531.0201, 531.02011, and
14 531.02013, define:

15 (A) client services functions;

16 (B) regulatory functions;

17 (C) public health functions; and

18 (D) functions related to:

19 (i) state-operated institutions;

20 (ii) child protective services;

21 (iii) adult protective services; and

22 (iv) prevention and early intervention
23 services; and

24 (4) include an evaluation and determination of the
25 feasibility and potential effectiveness of consolidating
26 administrative support services into the commission in accordance
27 with Section 531.02012, including a report of:

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1 (A) the specific support services that will be
2 consolidated within the commission;

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

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

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

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

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

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

23 (B) programs that:

24 (i) provide parent education;

25 (ii) promote healthier parent-child
26 relationships; or

27 (iii) prevent family violence; and

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

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

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

12 (2) solicit and consider input from appropriate
13 stakeholders.

14 (d) Within the periods prescribed by Section 531.02001:

15 (1) the commission shall begin administering the
16 respective functions assigned to the commission under Sections
17 531.0201 and 531.02011, as applicable; and

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

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

26 (e) The executive commissioner shall submit the transition
27 plan to the Health and Human Services Transition Legislative

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1 Oversight Committee, the governor, and the Legislative Budget Board
2 not later than March 1, 2016. The Health and Human Services
3 Transition Legislative Oversight Committee shall comment on and
4 make recommendations to the executive commissioner regarding any
5 concerns or adjustments to the transition plan the committee
6 determines appropriate. The executive commissioner may not
7 finalize the transition plan until the executive commissioner has
8 reviewed and considered the comments and recommendations of the
9 committee regarding the transition plan.

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

12 (1) the transition plan developed under this section;

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

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

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

22 Sec. 531.02041. REQUIRED REPORTS AFTER TRANSITION PLAN
23 SUBMISSION. If, at any time after the executive commissioner
24 submits the transition plan in accordance with Section 531.0204(e),
25 the executive commissioner proposes to make a substantial
26 organizational change to the health and human services system that
27 was not included in the transition plan, the executive commissioner

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1 shall, before implementing the proposed change, submit a report
2 detailing the proposed change to the Health and Human Services
3 Transition Legislative Oversight Committee.

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

11 Sec. 531.0206. LIMITED-SCOPE SUNSET REVIEW. (a) The
12 Sunset Advisory Commission shall conduct a limited-scope review of
13 the commission during the state fiscal biennium ending August 31,
14 2023, in the manner provided by Chapter 325 (Texas Sunset Act). The
15 review must provide:

16 (1) an update on the commission's progress with
17 respect to the consolidation of the health and human services
18 system mandated by this subchapter, including the commission's
19 compliance with the transition plan required under Section
20 531.0204;

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

25 (3) any additional information the Sunset Advisory
26 Commission determines appropriate, including information regarding
27 any additional organizational changes the Sunset Advisory

1 Commission recommends.

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

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

7 (b) Not later than October 1, 2015:

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

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

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

26 (d) Notwithstanding Section 531.0201, 531.02011, or
27 531.02012, Government Code, as added by this article, a power,

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1 duty, program, function, or activity of the Department of Assistive
2 and Rehabilitative Services may not be transferred to the Health
3 and Human Services Commission under that section if:

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

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

15 (e) If neither the Department of Assistive and
16 Rehabilitative Services nor the Texas Workforce Commission
17 receives the federal approval or other authorization described by
18 Subsection (d) of this section to enable the transfer of the power,
19 duty, program, function, or activity to the Texas Workforce
20 Commission to occur not later than September 1, 2016, as provided by
21 the legislation described by Subsection (d) of this section, the
22 power, duty, program, function, or activity of the Department of
23 Assistive and Rehabilitative Services transfers to the Health and
24 Human Services Commission in accordance with Section 531.0201,
25 Government Code, as added by this article, and the transition plan
26 required under Section 531.0204, Government Code, as added by this
27 article.

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1 SECTION 1.02. Subchapter A, Chapter 531, Government Code,
2 is amended by adding Sections 531.0011 and 531.0012 to read as
3 follows:

4 Sec. 531.0011. REFERENCES IN LAW MEANING COMMISSION OR
5 APPROPRIATE DIVISION. (a) In this code or in any other law, a
6 reference to any of the following state agencies or entities in
7 relation to a function transferred to the commission under Section
8 531.0201, 531.02011, or 531.02012, as applicable, means the
9 commission or the division of the commission performing the
10 function previously performed by the state agency or entity before
11 the transfer, as appropriate:

- 12 (1) health and human services agency;
- 13 (2) the Department of State Health Services;
- 14 (3) the Department of Aging and Disability Services;
- 15 (4) the Department of Family and Protective Services;
- 16 or
- 17 (5) the Department of Assistive and Rehabilitative
18 Services.

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

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1 transfer, as appropriate:

2 (1) the Texas Department on Aging;

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

4 (3) the Texas Commission for the Blind;

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

7 (5) the Texas Department of Health;

8 (6) the Texas Department of Human Services;

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

11 (8) the Texas Rehabilitation Commission;

12 (9) the Texas Health Care Information Council; or

13 (10) the Interagency Council on Early Childhood
14 Intervention.

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

23 (d) This section applies notwithstanding Section
24 531.001(4).

25 Sec. 531.0012. REFERENCES IN LAW MEANING EXECUTIVE
26 COMMISSIONER OR DESIGNEE. (a) In this code or in any other law, a
27 reference to any of the following persons in relation to a function

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1 transferred to the commission under Section 531.0201, 531.02011, or
2 531.02012, as applicable, means the executive commissioner, the
3 executive commissioner's designee, or the director of the division
4 of the commission performing the function previously performed by
5 the state agency from which it was transferred and that the person
6 represented, as appropriate:

7 (1) the commissioner of aging and disability services;

8 (2) the commissioner of assistive and rehabilitative
9 services;

10 (3) the commissioner of state health services; or

11 (4) the commissioner of the Department of Family and
12 Protective Services.

13 (b) In this code or in any other law and notwithstanding any
14 other law, a reference to any of the following persons or entities
15 in relation to a function transferred to the commission under
16 Section 531.0201, 531.02011, or 531.02012, as applicable, from the
17 state agency that assumed or continued to perform the function in
18 accordance with Chapter 198 (H.B. 2292), Acts of the 78th
19 Legislature, Regular Session, 2003, means the executive
20 commissioner or the director of the division of the commission
21 performing the function performed before the enactment of Chapter
22 198 (H.B. 2292) by the state agency that was abolished or renamed by
23 Chapter 198 (H.B. 2292) and that the person or entity represented:

24 (1) an executive director or other chief
25 administrative officer of a state agency listed in Section
26 531.0011(b) or of the Department of Protective and Regulatory
27 Services; or

1 (2) the governing body of a state agency listed in
2 Section 531.0011(b) or of the Department of Protective and
3 Regulatory Services.

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

- 8 (1) the Health and Human Services Council;
- 9 (2) the Aging and Disability Services Council;
- 10 (3) the Assistive and Rehabilitative Services
11 Council;
- 12 (4) the Family and Protective Services Council; or
- 13 (5) the State Health Services Council.

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

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

- 21 (1) proposed rules;
- 22 (2) recommendations of advisory committees;
- 23 (3) legislative appropriations requests or other
24 documents related to the appropriations process;
- 25 (4) the operation of health and human services
26 programs; and
- 27 (5) other items the executive commissioner determines

1 appropriate.

2 (b) The council does not have authority to make
3 administrative or policy decisions.

4 (c) The council is composed of:

5 (1) the executive commissioner;

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

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

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

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

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

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

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

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

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

26 (2) serve at the pleasure of the executive
27 commissioner.

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

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

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

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

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

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

27 (l) This section does not limit the authority of the

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1 executive commissioner to establish additional advisory committees
2 or councils.

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

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

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

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

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

18 (b) The commission shall:

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

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

25 (A) the provision of information technology
26 services for the [~~at~~] health and human services system [~~agencies~~]
27 considered to be a centralized administrative support service

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1 either performed by commission personnel or performed under a
2 contract with the commission; and

3 (B) an emphasis on research and implementation on
4 a demonstration or pilot basis of appropriate and efficient uses of
5 new and existing technology to improve the operation of the health
6 and human services system [~~agencies~~] and delivery of health and
7 human services;

8 (3) monitor and ensure the effective use of all
9 federal funds received for the [~~by a~~] health and human services
10 system [~~agency~~] in accordance with Section 531.028 and the General
11 Appropriations Act;

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

16 (A) the child health plan program;

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

19 (C) Medicaid;

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

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

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

26 (G) other health and human services programs, as
27 appropriate; and

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1 (5) implement programs intended to prevent family
2 violence and provide services to victims of family violence.

3 (d) After implementation of the commission's duties under
4 Subsections (b) and (c), the commission shall implement the powers
5 and duties given to the commission under Section 531.0248. Nothing
6 in the priorities established by this section is intended to limit
7 the authority of the commission to work simultaneously to achieve
8 the multiple tasks assigned to the commission in this section, when
9 such an approach is beneficial in the judgment of the commission.
10 The commission shall plan and implement an efficient and effective
11 centralized system of administrative support services for the
12 health and human services system in accordance with Section
13 531.00553 [~~agencies~~]. [~~The performance of administrative support~~
14 ~~services for health and human services agencies is the~~
15 ~~responsibility of the commission. The term "administrative support~~
16 ~~services" includes, but is not limited to, strategic planning and~~
17 ~~evaluation, audit, legal, human resources, information resources,~~
18 ~~purchasing, contract management, financial management, and~~
19 ~~accounting services.~~]

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

1 the executive commissioner, shall:

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

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

6 (3) be responsible for the administrative supervision
7 of the internal audit program for the [~~all~~] health and human
8 services system agencies, including:

9 (A) selecting the director of internal audit;

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

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

14 (f) The operational authority and responsibility of the
15 executive commissioner for purposes of Subsection (e) for [~~at~~] each
16 health and human services system agency or division, as applicable,
17 includes authority over and responsibility for the:

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

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

24 (3) personnel and employment policies;

25 (4) contracting, purchasing, and related policies,
26 subject to this chapter and other laws relating to contracting and
27 purchasing by a state agency;

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1 (5) information resources systems used by the agency
2 or division;

3 (6) location of [~~agency~~] facilities; and

4 (7) coordination of agency or division activities with
5 activities of other components of the health and human services
6 system and state agencies[, ~~including other health and human~~
7 ~~services agencies~~].

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

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

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

27 (1) clearly defines the responsibilities of the agency

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1 director and the executive commissioner, including:

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

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

7 (2) establishes the program of evaluation and
8 supervision of daily operations required by Subsection (h); ~~and~~

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

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

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

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

25 Sec. 531.00553. ADMINISTRATIVE SUPPORT SERVICES. (a) In
26 this section, the term "administrative support services" includes
27 strategic planning and evaluation, audit, legal, human resources,

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1 information resources, purchasing, contracting, financial
2 management, and accounting services.

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

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

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

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

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

27 (A) the responsibilities of each agency or

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1 division and the commission;

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

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

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

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

10 (d) The memorandum of understanding or other agreement
11 required under Subsection (c), if appropriate, may be combined with
12 the memorandum of understanding required under Section
13 531.0055(k).

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

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

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

22 Sec. 531.00561. APPOINTMENT AND QUALIFICATIONS OF DIVISION
23 DIRECTORS. (a) The executive commissioner shall appoint a
24 director for each division established within the commission under
25 Section 531.008, except that the director of the office of
26 inspector general is appointed in accordance with Section
27 531.102(a-1).

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1 (b) The executive commissioner shall:

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

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

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

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

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

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

19 (b) The executive commissioner of the Health and Human
20 Services Commission shall implement Sections 531.00561 and
21 531.00562, Government Code, as added by this article, on the date
22 specified in the transition plan required under Section 531.0204,
23 Government Code, as added by this article.

24 SECTION 1.09. (a) Section 531.008, Government Code, as
25 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
26 2015, is amended to read as follows:

27 Sec. 531.008. DIVISIONS OF COMMISSION. (a) The [~~Subject~~

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1 ~~to Subsection (c), the]~~ executive commissioner shall [may]
2 establish divisions within the commission along functional lines as
3 necessary for effective administration and for the discharge of the
4 commission's functions.

5 (b) The [~~Subject to Subsection (c), the]~~ executive
6 commissioner may allocate and reallocate functions among the
7 commission's divisions.

8 (c) Notwithstanding Subsections (a) and (b), the [~~The]~~
9 executive commissioner shall establish the following divisions and
10 offices within the commission:

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

15 [~~(A) the child health plan program,~~

16 [~~(B) the financial assistance program under~~
17 ~~Chapter 31, Human Resources Code,~~

18 [~~(C) Medicaid,~~

19 [~~(D) the supplemental nutrition assistance~~
20 ~~program under Chapter 33, Human Resources Code,~~

21 [~~(E) long-term care services, as defined by~~
22 ~~Section 22.0011, Human Resources Code,~~

23 [~~(F) community-based support services identified~~
24 ~~or provided in accordance with Section 531.02481, and~~

25 [~~(G) other health and human services programs, as~~
26 ~~appropriate];~~

27 (2) the office of inspector general to perform fraud

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1 and abuse investigation and enforcement functions as provided by
2 Subchapter C and other law;

3 (3) a regulatory division [~~the office of the ombudsman~~
4 ~~to:~~

5 [~~(A) provide dispute resolution services for the~~
6 ~~commission and the health and human services agencies; and~~

7 [~~(B) perform consumer protection functions~~
8 ~~related to health and human services];~~

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

11 (5) a facilities division for the purpose of
12 administering state facilities, including state hospitals and
13 state supported living centers [~~an internal audit division to~~
14 ~~conduct a program of internal auditing in accordance with Chapter~~
15 ~~2102].~~

16 (d) Subsection (c) does not prohibit the executive
17 commissioner from establishing additional divisions under
18 Subsection (a) as the executive commissioner determines
19 appropriate. This subsection and Subsection (c) expire September
20 1, 2023.

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

27 SECTION 1.10. (a) Subchapter A, Chapter 531, Government

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1 Code, is amended by adding Section 531.0083 to read as follows:

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

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

10 (1) develop a performance management system;

11 (2) take the lead in supporting and providing
12 oversight for the implementation of major policy changes and in
13 managing organizational changes; and

14 (3) act as a centralized body of experts within the
15 commission that offers program evaluation and process improvement
16 expertise.

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

19 (1) gather, measure, and evaluate performance
20 measures and accountability systems used by the health and human
21 services system;

22 (2) develop new and refined performance measures as
23 appropriate; and

24 (3) establish targeted, high-level system metrics
25 that are capable of measuring and communicating overall performance
26 and achievement of goals by the health and human services system to
27 both internal and public audiences through various mechanisms,

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1 including the Internet.

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

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

10 (A) establishing timelines and milestones for
11 any transition;

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

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

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

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

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

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

27 (2) identify and monitor cross-functional efforts

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1 involving different administrative components within the health
2 and human services system and the establishment of cross-functional
3 teams when necessary to improve the coordination of services
4 provided through the system.

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

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

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

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

25 Sec. 531.017. PURCHASING UNIT [~~DIVISION~~]. (a) The
26 commission shall establish a purchasing unit [~~division~~] for the
27 management of administrative activities related to the purchasing

1 functions within [~~of the commission and~~] the health and human
2 services system [~~agencies~~].

3 (b) The purchasing unit [~~division~~] shall:

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

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

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

14 SUBCHAPTER A. PREVENTION AND EARLY INTERVENTION SERVICES

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

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

27 (1) to plan, develop, and administer a comprehensive

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1 and unified delivery system of prevention and early intervention
2 services to children and their families in at-risk situations;

3 (2) to improve the responsiveness of services for
4 at-risk children and their families by facilitating greater
5 coordination and flexibility in the use of funds by state and local
6 service providers;

7 (3) to provide greater accountability for prevention
8 and early intervention services in order to demonstrate the impact
9 or public benefit of a program by adopting outcome measures; and

10 (4) to assist local communities in the coordination
11 and development of prevention and early intervention services in
12 order to maximize federal, state, and local resources.

13 (b) The department's prevention and early intervention
14 services division must be organizationally separate from the
15 department's divisions performing child protective services and
16 adult protective services functions.

17 SECTION 1.14. Subchapter A, Chapter 265, Family Code, as
18 added by this article, is amended by adding Section 265.006 to read
19 as follows:

20 Sec. 265.006. PROHIBITION ON USE OF AGENCY NAME OR LOGO.

21 The department may not allow the use of the department's name or
22 identifying logo or insignia on forms or other materials related to
23 the department's prevention and early intervention services that
24 are:

- 25 (1) provided by the department's contractors; or
26 (2) distributed by the department's contractors to the
27 department's clients.

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1 SECTION 1.15. (a) Subchapter Q, Chapter 531, Government
2 Code, including provisions amended by S.B. No. 219, Acts of the 84th
3 Legislature, Regular Session, 2015, is transferred to Chapter 265,
4 Family Code, redesignated as Subchapter C, Chapter 265, Family
5 Code, and amended to read as follows:

6 SUBCHAPTER C [~~Q~~]. NURSE-FAMILY PARTNERSHIP COMPETITIVE

7 GRANT PROGRAM

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

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

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

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

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

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

27 (2) provide program services to approximately 2,000

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1 families.

2 Sec. 265.103 [~~531.653~~]. PARTNERSHIP PROGRAM REQUIREMENTS.

3 A partnership program funded through a grant awarded under this
4 subchapter must:

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

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

12 (A) improve pregnancy outcomes;

13 (B) improve child health and development;

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

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

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

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

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

27 (C) provide assistance to a mother and the

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1 alleged father of her child if the mother and alleged father seek to
2 voluntarily acknowledge paternity of the child, if appropriate; and

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

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

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

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

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

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

24 (2) describe the ongoing monitoring and evaluation
25 process to which a grant recipient is subject under Section 265.109
26 [~~531.659~~], including the recipient's obligation to collect and
27 provide information requested by the department [~~commission~~] under

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1 Section 265.109(c) [~~531.659(e)~~]; and

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

4 Sec. 265.105 [~~531.655~~]. ADDITIONAL CONSIDERATIONS IN
5 AWARDING GRANTS. In addition to the factors described by Sections
6 265.102(b) [~~531.652(b)~~] and 265.103 [~~531.653~~], in determining
7 whether to award a grant to an applicant under this subchapter, the
8 department [~~commission~~] shall consider:

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

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

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

18 (2) the applicant's ability to participate in ongoing
19 monitoring and performance evaluations under Section 265.109
20 [~~531.659~~], including the applicant's ability to collect and provide
21 information requested by the department [~~commission~~] under Section
22 265.109(c) [~~531.659(e)~~];

23 (3) the applicant's ability to adhere to the
24 partnership program standards adopted under Section 265.106
25 [~~531.656~~];

26 (4) the applicant's ability to develop broad-based
27 community support for implementing or expanding a partnership

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1 program, as applicable; and

2 (5) the applicant's history of developing and
3 sustaining innovative, high-quality programs that meet the needs of
4 families and communities.

5 Sec. 265.106 [~~531.656~~]. PARTNERSHIP PROGRAM STANDARDS.

6 The executive commissioner, with the assistance of the Nurse-Family
7 Partnership National Service Office, shall adopt standards for the
8 partnership programs funded under this subchapter. The standards
9 must adhere to the Nurse-Family Partnership National Service Office
10 program model standards and guidelines that were developed in
11 multiple, randomized clinical trials and have been tested and
12 replicated in multiple communities.

13 Sec. 265.107 [~~531.657~~]. USE OF AWARDED GRANT FUNDS. The

14 grant funds awarded under this subchapter may be used only to cover
15 costs related to implementing or expanding and operating a
16 partnership program, including costs related to:

- 17 (1) administering the program;
- 18 (2) training and managing registered nurses who
19 participate in the program;
- 20 (3) paying the salaries and expenses of registered
21 nurses who participate in the program;
- 22 (4) paying for facilities and equipment for the
23 program; and
- 24 (5) paying for services provided by the Nurse-Family
25 Partnership National Service Office to ensure a grant recipient
26 adheres to the organization's program model.

27 Sec. 265.108 [~~531.658~~]. STATE NURSE CONSULTANT. Using

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1 money appropriated for the competitive grant program, the
2 department [~~commission~~] shall hire or contract with a state nurse
3 consultant to assist grant recipients with implementing or
4 expanding and operating the partnership programs in the applicable
5 communities.

6 Sec. 265.109 [~~531.659~~]. PROGRAM MONITORING AND EVALUATION;
7 ANNUAL COMMITTEE REPORTS. (a) The department [~~commission~~], with
8 the assistance of the Nurse-Family Partnership National Service
9 Office, shall:

10 (1) adopt performance indicators that are designed to
11 measure a grant recipient's performance with respect to the
12 partnership program standards adopted by the executive
13 commissioner under Section 265.106 [~~531.656~~];

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

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

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

25 (1) the number of low-income, first-time mothers to
26 whom each grant recipient provided partnership program services
27 and, of that number, the number of mothers who established the

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1 paternity of an alleged father as a result of services provided
2 under the program;

3 (2) the extent to which each grant recipient made
4 regular visits to mothers during the period described by Section
5 265.103(4) [~~531.653(4)~~]; and

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

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

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

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

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

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

27 (b) The department [~~commission~~] may use appropriated funds

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1 from the state government and may accept gifts, donations, and
2 grants of money from the federal government, local governments,
3 private corporations, or other persons to assist in financing the
4 competitive grant program.

5 (b) Notwithstanding the transfer of Subchapter Q, Chapter
6 531, Government Code, to Chapter 265, Family Code, and
7 redesignation as Subchapter C of that chapter, the Health and Human
8 Services Commission shall continue to administer the Nurse-Family
9 Partnership Competitive Grant Program under that subchapter until
10 the date the program transfers to the Department of Family and
11 Protective Services in accordance with Section 531.0201,
12 Government Code, as added by this article, and the transition plan
13 under Section 531.0204, Government Code, as added by this article.

14 SECTION 1.16. Effective September 1, 2017, Section
15 1001.002, Health and Safety Code, is amended to read as follows:

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

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

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

27 SECTION 1.17. Effective September 1, 2017, Subchapter A,

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1 Chapter 1001, Health and Safety Code, is amended by adding Sections
2 1001.004 and 1001.005 to read as follows:

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

9 Sec. 1001.005. REFERENCES IN LAW MEANING COMMISSIONER OR
10 DESIGNEE. In this code or in any other law, a reference to the
11 commissioner in relation to a function described by Section
12 1001.002(c) means the commissioner. A reference in law to the
13 commissioner in relation to any other function has the meaning
14 assigned by Section 531.0012, Government Code.

15 SECTION 1.18. Effective September 1, 2017, Section
16 40.002(b), Human Resources Code, as amended by S.B. 219, Acts of the
17 84th Legislature, Regular Session, 2015, is amended to read as
18 follows:

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

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

27 (2) provide family support and family preservation

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1 services that respect the fundamental right of parents to control
2 the education and upbringing of their children;

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

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

10 SECTION 1.19. Effective September 1, 2017, Subchapter A,
11 Chapter 40, Human Resources Code, is amended by adding Sections
12 40.0025, 40.0026, and 40.0027 to read as follows:

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

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

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

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

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

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

5 (3) prevention and early intervention services
6 functions, including:

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

9 (B) programs that:

10 (i) provide parent education;

11 (ii) promote healthier parent-child
12 relationships; or

13 (iii) prevent family violence.

14 Sec. 40.0026. REFERENCES IN LAW MEANING DEPARTMENT. In
15 this code or any other law, a reference to the department in
16 relation to a function described by Section 40.0025(b) means the
17 department. A reference in law to the department in relation to any
18 other function has the meaning assigned by Section 531.0011,
19 Government Code.

20 Sec. 40.0027. REFERENCES IN LAW MEANING COMMISSIONER OR
21 DESIGNEE. In this code or in any other law, a reference to the
22 commissioner in relation to a function described by Section
23 40.0025(b) means the commissioner. A reference in law to the
24 commissioner in relation to any other function has the meaning
25 assigned by Section 531.0012, Government Code.

26 SECTION 1.20. Sections 40.0515(d) and (e), Human Resources
27 Code, are amended to read as follows:

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1 (d) A performance review conducted under Subsection (b)(3)
2 is considered a performance evaluation for purposes of Section
3 40.032(c) of this code or Section 531.009(c), Government Code, as
4 applicable. The department shall ensure that disciplinary or other
5 corrective action is taken against a supervisor or other managerial
6 employee who is required to conduct a performance evaluation for
7 adult protective services personnel under Section 40.032(c) of this
8 code or Section 531.009(c), Government Code, as applicable, or a
9 performance review under Subsection (b)(3) and who fails to
10 complete that evaluation or review in a timely manner.

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

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

17 (2) include:

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

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

25 SECTION 1.21. (a) The heading to Subchapter C, Chapter
26 112, Human Resources Code, is amended to read as follows:

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 (1-b) "Executive commissioner" means the executive
2 commissioner of the Health and Human Services Commission.

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

6 Sec. 112.0421. APPLICABILITY AND EXPIRATION OF CERTAIN
7 PROVISIONS. (a) Sections 112.041(a), 112.043, 112.045, 112.0451,
8 112.0452, 112.0453, 112.0454, 112.046, 112.047, 112.0471, and
9 112.0472 apply only until the date the executive commissioner
10 begins to administer this subchapter and the commission assumes the
11 duties and functions of the Office for the Prevention of
12 Developmental Disabilities in accordance with Section 112.0431.

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

16 (c) This section and Sections 112.041(a), 112.043, 112.045,
17 112.0451, 112.0452, 112.0453, 112.0454, 112.046, 112.047,
18 112.0471, and 112.0472 expire on the last day of the period
19 prescribed by Section 531.02001(2), Government Code.

20 Sec. 112.0431. ADMINISTRATION OF SUBCHAPTER; CERTAIN
21 REFERENCES. (a) Notwithstanding any other provision in this
22 subchapter, the executive commissioner shall administer this
23 subchapter beginning on the date specified in the transition plan
24 under Section 531.0204, Government Code, and the commission shall
25 perform the duties and functions of the Office for the Prevention of
26 Developmental Disabilities in the organizational form the
27 executive commissioner determines appropriate.

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

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

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

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

15 Sec. 112.044. DUTIES. The office shall:

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

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

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

26 (4) promote and facilitate the identification,
27 development, coordination, and delivery of needed prevention

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1 services;

2 (5) solicit, receive, and spend grants and donations
3 from public, private, state, and federal sources;

4 (6) identify and encourage establishment of needed
5 reporting systems to track the causes and frequencies of occurrence
6 of developmental disabilities;

7 (7) develop, operate, and monitor programs created
8 under Section 112.048 addressing [~~task forces to address~~] the
9 prevention of specific targeted developmental disabilities;

10 (8) monitor and assess the effectiveness of divisions
11 within the commission and of state agencies in preventing [~~to~~
12 ~~prevent~~] developmental disabilities;

13 (9) recommend the role each division within the
14 commission and each state agency should have with regard to
15 prevention of developmental disabilities;

16 (10) facilitate coordination of state agency
17 prevention services and activities within the commission and among
18 appropriate state agencies; and

19 (11) encourage cooperative, comprehensive, and
20 complementary planning among public, private, and volunteer
21 individuals and organizations engaged in prevention activities,
22 providing prevention services, or conducting related research.

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

25 Sec. 112.048. PREVENTION PROGRAMS FOR TARGETED
26 DEVELOPMENTAL DISABILITIES [~~TASK FORCES~~]. (a) The executive
27 committee shall establish guidelines for:

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- 1 (1) selecting targeted disabilities;
- 2 (2) assessing prevention services needs; and
- 3 (3) reviewing ~~[task force]~~ plans, budgets, and
- 4 operations for programs under this section.

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

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

12 (1) must include ~~[develop]~~ a plan designed to reduce
 13 the incidence of a specifically targeted disability;

14 (2) must include ~~[prepare]~~ a budget for implementing a
 15 plan;

16 (3) must be funded ~~[arrange for funds]~~ through:

17 (A) contracts for services from participating
 18 agencies;

19 (B) grants and gifts from private persons and
 20 consumer and advocacy organizations; and

21 (C) foundation support; and

22 (4) must be approved by ~~[submit the plan, budget, and~~
 23 ~~evidence of funding commitments to]~~ the executive committee ~~[for~~
 24 ~~approval].~~

25 ~~[(d) A task force shall regularly report to the executive~~
 26 ~~committee, as required by the committee, the operation, progress,~~
 27 ~~and results of the task force's prevention plan.]~~

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1 Sec. 112.049. EVALUATION. (a) The office shall identify
2 or encourage the establishment of needed statistical bases for each
3 targeted group against which the office can measure how effectively
4 a [~~task force~~] program under Section 112.048 is reducing the
5 frequency or severity of a targeted developmental disability.

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

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

11 Sec. 112.050. GRANTS AND OTHER FUNDING.

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

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

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

27 (h) Section 112.051, Human Resources Code, is amended to

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1 read as follows:

2 Sec. 112.051. REPORTS TO LEGISLATURE. The office shall
3 submit by February 1 of each odd-numbered year biennial reports to
4 the legislature detailing findings of the office and the results of
5 [~~task force prevention~~] programs under Section 112.048 and
6 recommending improvements in the delivery of developmental
7 disability prevention services.

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

22 (j) The executive commissioner of the Health and Human
23 Services Commission shall begin administering Subchapter C,
24 Chapter 112, Human Resources Code, as amended by this article, and
25 the commission shall begin performing the duties and functions of
26 the Office for the Prevention of Developmental Disabilities as
27 required by Section 112.0431, Human Resources Code, as added by

1 this article, on the date specified in the transition plan required
2 under Section 531.0204, Government Code, as added by this article.

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

5 CHAPTER 114. [~~TEXAS COUNCIL ON~~] AUTISM AND PERVASIVE DEVELOPMENTAL
6 DISORDERS

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

9 (1-a) "Commission" means the Health and Human Services
10 Commission.

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

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

15 Sec. 114.0021. APPLICABILITY AND EXPIRATION OF CERTAIN
16 PROVISIONS. (a) Sections 114.001, 114.003, 114.004, 114.005,
17 114.007(a), and 114.010(d) apply only until the date the executive
18 commissioner begins to administer this chapter and the commission
19 assumes the duties and functions of the Texas Council on Autism and
20 Pervasive Developmental Disorders in accordance with Section
21 114.0031.

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

25 (c) This section and Sections 114.001, 114.003, 114.004,
26 114.005, 114.007(a), and 114.010(d) expire on the last day of the
27 period prescribed by Section 531.02001(1), Government Code.

1 Sec. 114.0031. ADMINISTRATION OF CHAPTER; CERTAIN
 2 REFERENCES. (a) Notwithstanding any other provision in this
 3 chapter, the executive commissioner shall administer this chapter
 4 beginning on the date specified in the transition plan under
 5 Section 531.0204, Government Code, and the commission shall perform
 6 the duties and functions of the Texas Council on Autism and
 7 Pervasive Developmental Disorders in the organizational form the
 8 executive commissioner determines appropriate.

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

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

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

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

23 (b) The council shall make written recommendations on the
 24 implementation of this chapter. If the council considers a
 25 recommendation that will affect another state [~~an~~] agency [~~not~~
 26 ~~represented on the council~~], the council shall seek the advice and
 27 assistance of the agency before taking action on the

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1 recommendation. On approval of the governing body of the agency,
2 each agency affected by a council recommendation shall implement
3 the recommendation. If an agency does not have sufficient funds to
4 implement a recommendation, the agency shall request funds for that
5 purpose in its next budget proposal.

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

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

- 14 (1) successful intervention and treatment strategies,
15 including transitioning;
- 16 (2) personnel preparation and continuing education;
- 17 (3) referral, screening, and evaluation services;
- 18 (4) day care, respite care, or residential care
19 services;
- 20 (5) vocational and adult training programs;
- 21 (6) public awareness strategies;
- 22 (7) contemporary research;
- 23 (8) early identification strategies;
- 24 (9) family counseling and case management; and
- 25 (10) recommendations for monitoring autism service
26 programs.

27 (c) The council with [~~the advice of the advisory task force~~

1 ~~and~~] input from people with autism and other pervasive
2 developmental disorders, their families, and related advocacy
3 organizations shall advise the legislature on legislation that is
4 needed to develop further and to maintain a statewide system of
5 quality intervention and treatment services for all persons with
6 autism or other pervasive developmental disorders. The council may
7 develop and recommend legislation to the legislature or comment on
8 pending legislation that affects those persons.

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

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

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

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

25 (b) The council shall develop a strategy for establishing
26 new programs to meet the requirements identified through the
27 council's review and assessment and from input from [~~the task~~

1 ~~force,~~] people with autism and related pervasive developmental
2 disorders, their families, and related advocacy organizations.

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

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

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

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

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

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

27 (4) provide support for families affected by autism

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1 and other pervasive developmental disorders.

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

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

24 SECTION 1.23. (a) Effective September 1, 2016, the
25 following provisions of the Government Code, including provisions
26 amended by S.B. No. 219, Acts of the 84th Legislature, Regular
27 Session, 2015, are repealed:

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- 1 (1) Section 531.0235; and
- 2 (2) Subchapter K, Chapter 531.

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

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

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

- 16 (1) Section 40.021;
- 17 (2) Section 40.022;
- 18 (3) Section 40.0226;
- 19 (4) Section 40.024;
- 20 (5) Section 40.025;
- 21 (6) Section 40.026;
- 22 (7) Section 117.002;
- 23 (8) Section 117.021;
- 24 (9) Section 117.022;
- 25 (10) Section 117.023;
- 26 (11) Section 117.024;
- 27 (12) Section 117.025;

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- 1 (13) Section 117.026;
- 2 (14) Section 117.027;
- 3 (15) Section 117.028;
- 4 (16) Section 117.029;
- 5 (17) Section 117.030;
- 6 (18) Section 117.032;
- 7 (19) Section 117.051;
- 8 (20) Section 117.052;
- 9 (21) Section 117.053;
- 10 (22) Section 117.054;
- 11 (23) Section 117.055;
- 12 (24) Section 117.056;
- 13 (25) Section 117.0711;
- 14 (26) Section 117.0712;
- 15 (27) Section 117.072;
- 16 (28) Section 161.021;
- 17 (29) Section 161.022;
- 18 (30) Section 161.023;
- 19 (31) Section 161.024;
- 20 (32) Section 161.025;
- 21 (33) Section 161.026;
- 22 (34) Section 161.027;
- 23 (35) Section 161.028;
- 24 (36) Section 161.029; and
- 25 (37) Section 161.030.

26 (d) Effective September 1, 2017, Section 531.0055(i),
27 Government Code, is repealed.

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1 (e) Effective September 1, 2017, the following provisions
2 of the Human Resources Code, including provisions added or amended
3 by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015,
4 are repealed:

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

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

22 ARTICLE 2. HEALTH AND HUMAN SERVICES SYSTEM OPERATIONS

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

25 (3-a) "Health and human services system" means the
26 system for providing or otherwise administering health and human
27 services in this state by the commission, including through an

1 office or division of the commission or through another entity
2 under the administrative and operational control of the executive
3 commissioner.

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

6 Sec. 531.00552. CONSOLIDATED INTERNAL AUDIT PROGRAM.

7 (a) Notwithstanding Section 2102.005, the commission shall
8 operate the internal audit program required under Chapter 2102 for
9 the commission and each health and human services agency as a
10 consolidated internal audit program.

11 (b) For purposes of this section, a reference in Chapter
12 2102 to the administrator of a state agency with respect to a health
13 and human services agency means the executive commissioner.

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

17 Sec. 531.006. ELIGIBILITY FOR APPOINTMENT AS EXECUTIVE
18 COMMISSIONER; EMPLOYEE RESTRICTIONS. (a) In this section, "Texas

19 trade association" means a cooperative and voluntarily joined
20 statewide association of business or professional competitors in
21 this state designed to assist its members and its industry or
22 profession in dealing with mutual business or professional problems
23 and in promoting their common interest.

24 (a-1) A person may not be appointed [~~is not eligible for~~
25 ~~appointment~~] as executive commissioner, may not serve on the
26 commission's executive council, and may not be a commission
27 employee employed in a "bona fide executive, administrative, or

1 professional capacity," as that phrase is used for purposes of
2 establishing an exemption to the overtime provisions of the federal
3 Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) if:

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

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

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

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

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

25 (2) [the Department of Aging and Disability Services,
26 if the contract involves intellectual and developmental disability
27 services,

1 ~~[(3)]~~ a local mental health or intellectual and
2 developmental disability authority; or

3 (3) ~~[(4)]~~ 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

1 websites' content; and

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

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

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

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

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

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

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

25 (2) performing consumer protection and advocacy
26 functions related to health and human services, including assisting
27 a consumer or other interested person with:

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1 (A) raising a matter within the health and human
2 services system that the person feels is being ignored; and

3 (B) obtaining information regarding a filed
4 complaint; and

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

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

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

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

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

26 (c) Notwithstanding any other provision of state law but
27 except as provided by Subsection (d) of this section:

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1 (1) each office of an ombudsman established before the
2 effective date of this section that performs ombudsman duties for a
3 state agency or entity subject to abolition under Section 531.0202,
4 Government Code, as added by this Act, is abolished on the date the
5 state agency or entity for which the office performs ombudsman
6 duties is abolished in accordance with the transition plan under
7 Section 531.0204, Government Code, as added by this Act; and

8 (2) each office of an ombudsman established before the
9 effective date of this section that performs ombudsman duties for
10 the Department of Family and Protective Services or the Department
11 of State Health Services is abolished on the date specified in the
12 transition plan under Section 531.0204, Government Code, as added
13 by this Act.

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

16 (1) the office of independent ombudsman for state
17 supported living centers established under Subchapter C, Chapter
18 555, Health and Safety Code;

19 (2) the office of the state long-term care ombudsman;
20 and

21 (3) any other ombudsman office serving all or part of
22 the health and human services system that is required by federal
23 law.

24 (e) The executive commissioner of the Health and Human
25 Services Commission shall certify which offices of ombudsman are
26 abolished, and which are exempt from abolition, under Subsection
27 (d) of this section and shall publish that certification in the

1 Texas Register not later than September 1, 2016.

2 SECTION 2.07. (a) Subchapter A, Chapter 531, Government
3 Code, is amended by adding Section 531.0192 to read as follows:

4 Sec. 531.0192. HEALTH AND HUMAN SERVICES SYSTEM HOTLINE AND
5 CALL CENTER COORDINATION. (a) The commission shall establish a
6 process to ensure all health and human services system hotlines and
7 call centers are necessary and appropriate. Under the process, the
8 commission shall:

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

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

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

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

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

23 (A) client satisfaction with call resolution;

24 (B) accuracy of information provided;

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

27 (D) the amount of time a caller spends on hold;

1 and

2 (E) call abandonment rates.

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

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

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

14 (c) Not later than March 1, 2016, the Health and Human
15 Services Commission shall complete an initial assessment and
16 consolidation of hotlines and call centers, as required by Section
17 531.0192, Government Code, as added by this article.

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

26 SECTION 2.08. (a) Section 531.02111(b), Government Code,
27 as amended by S.B. 219, Acts of the 84th Legislature, Regular

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1 Session, 2015, is amended to read as follows:

2 (b) The report must include:

3 (1) for each state agency described by Subsection (a):

4 (A) a description of each of the components of
5 Medicaid operated by the agency; and

6 (B) an accounting of all funds related to
7 Medicaid received and disbursed by the agency during the period
8 covered by the report, including:

9 (i) the amount of any federal Medicaid
10 funds allocated to the agency for the support of each of the
11 Medicaid components operated by the agency;

12 (ii) the amount of any funds appropriated
13 by the legislature to the agency for each of those components; and

14 (iii) the amount of Medicaid payments and
15 related expenditures made by or in connection with each of those
16 components; and

17 (2) for each Medicaid component identified in the
18 report:

19 (A) the amount and source of funds or other
20 revenue received by or made available to the agency for the
21 component; ~~and~~

22 (B) the amount spent on each type of service or
23 benefit provided by or under the component;

24 (C) the amount spent on component operations,
25 including eligibility determination, claims processing, and case
26 management; and

27 (D) the amount spent on any other administrative

1 costs [~~information required by Section 531.02112(b)~~].

2 (b) The following provisions, including provisions amended
3 by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015,
4 are repealed:

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

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

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

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

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

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

27 (c) In streamlining the Medicaid provider credentialing

1 process under this section, the commission may designate a
2 centralized credentialing entity and may:

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

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

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

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

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

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

24 (1) the data continues to serve a useful purpose; and
25 (2) additional data is needed to oversee contracts or
26 evaluate the effectiveness of Medicaid.

27 (d) The commission shall collect Medicaid managed care data

1 that effectively captures the quality of services received by
2 Medicaid recipients.

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

9 (b) Not later than March 1, 2016, the Health and Human
10 Services Commission shall develop the dashboard required by Section
11 531.02141(e), Government Code, as added by this article.

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

14 Sec. 531.02221. WOMEN'S HEALTH ADVISORY COMMITTEE.

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

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

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

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

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

27 (c) The executive commissioner may appoint a member not

1 described by Subsection (b) to the women's health advisory
2 committee who represents the women's health industry and is
3 knowledgeable on the best practices for women's health programs.

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

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

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

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

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

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

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

27 (1) on an annual basis, seek input from the commission

1 and consider previous audits and onsite visits made by the
2 commission for purposes of determining whether to audit a managed
3 care organization participating in Medicaid; and

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

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

12 (a) In this section and Sections 531.1032, 531.1033, and
13 531.1034:

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

17 (1-a) "License" means a license, certificate,
18 registration, permit, or other authorization that:

19 (A) is issued by a licensing authority; and

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

22 (1-b) "Licensing authority" means a department,
23 commission, board, office, or other agency of the state that issues
24 a license.

25 (1-c) "Office" means the commission's office of
26 inspector general unless a different meaning is plainly required by
27 the context in which the term appears.

1 (2) "Participating agency" means:

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

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

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

10 (3) "Provider" has the meaning assigned by Section
11 531.1011(10)(A).

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

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

25 (1) the office may confirm with a licensing authority
26 that a health care professional is licensed and in good standing for
27 purposes of determining eligibility to participate in Medicaid; and

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1 (2) the licensing authority immediately notifies the
2 office if:

3 (A) a provider's license has been revoked or
4 suspended; or

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

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

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

26 (1) the extent to which the underlying conduct relates
27 to the services provided under Medicaid;

1 (2) the degree to which the person would interact with
2 Medicaid recipients as a provider; and

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

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

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

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

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

25 Sec. 531.1034. TIME TO DETERMINE PROVIDER ELIGIBILITY;
26 PERFORMANCE METRICS. (a) Not later than the 10th day after the
27 date the office receives the complete application of a health care

1 professional seeking to participate in Medicaid, the office shall
2 inform the commission or the health care professional, as
3 appropriate, of the office's determination regarding whether the
4 health care professional should be denied participation in Medicaid
5 based on:

6 (1) information concerning the licensing status of the
7 health care professional obtained as described by Section
8 531.1032(a);

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

12 (3) a review of federal databases under Section
13 531.1033;

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

16 (5) any other reason the office determines
17 appropriate.

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

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

25 (c) Not later than September 1, 2016, the executive
26 commissioner of the Health and Human Services Commission shall
27 adopt the guidelines required under Section 531.1032(c),

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1 Government Code, as added by this section.

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

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

6 (a) In this section:

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

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

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

21 (b) The commission shall implement [~~form a consortium to~~
22 ~~have responsibility for and oversight over~~] a [~~state~~] system of
23 care framework to develop local mental health systems of care in
24 communities for minors who are receiving residential mental health
25 services and supports or inpatient mental health hospitalization,
26 have or are at risk of developing a serious emotional disturbance,
27 or [~~who~~] are at risk of being removed from the minor's home and

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1 placed in a more restrictive environment to receive mental health
2 services and supports, including an inpatient mental health
3 hospital, a residential treatment facility, or a facility or
4 program operated by the Department of Family and Protective
5 Services or an agency that is part of the juvenile justice system.

6 (c) ~~[(a-1) The consortium must include:~~

7 ~~[(1) representatives of the Department of State Health~~
8 ~~Services, Department of Family and Protective Services,~~
9 ~~commission's Medicaid program, Texas Education Agency, Texas~~
10 ~~Juvenile Justice Department, and Texas Correctional Office on~~
11 ~~Offenders with Medical or Mental Impairments; and~~

12 ~~[(2) one member who is:~~

13 ~~[(A) a youth or young adult who has a serious~~
14 ~~emotional disturbance and has received mental health services and~~
15 ~~supports; or~~

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

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

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

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

27 (2) enter memoranda of understanding with the

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

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

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

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

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

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

24 [~~(b-1) Not later than November 1 of each even-numbered year,~~
 25 ~~the consortium shall submit a report to the legislature and the~~
 26 ~~Council on Children and Families that contains an evaluation of the~~
 27 ~~outcomes of the Texas System of Care and recommendations on~~

1 ~~strengthening state policies and practices that support local~~
2 ~~systems of care, including recommendations relating to:~~

3 ~~[(1) methods to increase access to effective and~~
4 ~~coordinated services and supports,~~

5 ~~[(2) methods to increase community capacity to~~
6 ~~implement local systems of care through training and technical~~
7 ~~assistance,~~

8 ~~[(3) use of cross-system performance and outcome data~~
9 ~~to make informed decisions at individual and system levels, and~~

10 ~~[(4) strategies to maximize public and private funding~~
11 ~~at the local, state, and federal levels.]~~

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

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

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

23 SUBCHAPTER M. COORDINATION OF QUALITY INITIATIVES

24 Sec. 531.451. OPERATIONAL PLAN TO COORDINATE INITIATIVES.

25 (a) The commission shall develop and implement a comprehensive,
26 coordinated operational plan to ensure a consistent approach across
27 the major quality initiatives of the health and human services

1 system for improving the quality of health care.

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

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

23 Sec. 531.452. REVISION OF MAJOR INITIATIVES.
24 Notwithstanding any other law, the commission shall revise major
25 quality initiatives of the health and human services system in
26 accordance with the operational plan and health care quality
27 improvement goals developed under Section 531.451. To the extent

1 it is possible, the commission shall ensure that outcome measure
2 data is collected and reported consistently across all major
3 quality initiatives to improve the evaluation of the initiatives'
4 statewide impact.

5 Sec. 531.453. INCENTIVES FOR INITIATIVE COORDINATION. The
6 commission shall consider and, if the commission determines it
7 appropriate, develop incentives that promote coordination among
8 the various major quality initiatives in accordance with this
9 subchapter, including projects and initiatives approved under the
10 Texas Health Care Transformation and Quality Improvement Program
11 waiver issued under Section 1115 of the federal Social Security Act
12 (42 U.S.C. Section 1315).

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

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

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

24 (B) consistent with the operational plan and
25 health care quality improvement goals developed under Section
26 531.451; and

27 (2) allow a delivery system reform incentive payment

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

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

7 (c) This section expires September 1, 2017.

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

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

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

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

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

25 (1) January 1, 2017; or

26 (2) the last day of the transition deadline for the
27 cessation of the NorthSTAR Behavioral Health Services model if that

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1 deadline is extended in accordance with provisions of H.B. No. 1,
2 Acts of the 84th Legislature, Regular Session, 2015 (the General
3 Appropriations Act), by written approval of the Legislative Budget
4 Board or the governor.

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

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

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

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

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

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

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

27 SECTION 2.21. Subchapter A, Chapter 533, Government Code,

1 is amended by adding Section 533.0061 to read as follows:

2 Sec. 533.0061. FREQUENCY OF PROVIDER CREDENTIALING. A
3 managed care organization that contracts with the commission to
4 provide health care services to Medicaid recipients under a managed
5 care plan issued by the organization shall formally recredential a
6 physician or other provider with the frequency required by the
7 single, consolidated Medicaid provider enrollment and
8 credentialing process, if that process is created under Section
9 531.02118. The required frequency of recredentialing may be less
10 frequent than once in any three-year period, notwithstanding any
11 other law.

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

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

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

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

25 (2) if the commission determines it is cost-effective,
26 develop specific strategies for assisting recipients who receive
27 Supplemental Security Income (SSI) benefits under 42 U.S.C. Section

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1 1381 et seq. with maintaining eligibility; and

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

6 SECTION 2.23. (a) Section 533.015, Government Code, as
7 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
8 2015, is amended to read as follows:

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

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

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

26 (b) Not later than September 1, 2016, the executive
27 commissioner of the Health and Human Services Commission shall

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1 adopt rules required by Section 533.015(b), Government Code, as
2 added by this article.

3 SECTION 2.24. Section 533.041(a), Government Code, as
4 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
5 2015, is amended to read as follows:

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

- 9 (1) hospitals;
- 10 (2) managed care organizations and participating
11 health care providers;
- 12 (3) primary care providers and specialty care
13 providers;
- 14 (4) state agencies;
- 15 (5) low-income recipients or consumer advocates
16 representing low-income recipients;
- 17 (6) recipients with disabilities, including
18 recipients with an intellectual or developmental disability or with
19 physical disabilities, or consumer advocates representing those
20 recipients;
- 21 (7) parents of children who are recipients;
- 22 (8) rural providers;
- 23 (9) advocates for children with special health care
24 needs;
- 25 (10) pediatric health care providers, including
26 specialty providers;
- 27 (11) long-term services and supports providers,

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- 1 including nursing facility providers and direct service workers;
- 2 (12) obstetrical care providers;
- 3 (13) community-based organizations serving low-income
- 4 children and their families;
- 5 (14) community-based organizations engaged in
- 6 perinatal services and outreach;
- 7 (15) recipients who are 65 years of age or older;
- 8 (16) recipients with mental illness;
- 9 (17) nonphysician mental health providers
- 10 participating in the Medicaid managed care program; and
- 11 (18) entities with responsibilities for the delivery
- 12 of long-term services and supports or other Medicaid service
- 13 delivery, including:
 - 14 (A) independent living centers;
 - 15 (B) area agencies on aging;
 - 16 (C) aging and disability resource centers
 - 17 established under the Aging and Disability Resource Center
 - 18 initiative funded in part by the federal Administration on Aging
 - 19 and the Centers for Medicare and Medicaid Services; and
 - 20 (D) community mental health and intellectual
 - 21 disability centers [~~and~~
 - 22 [~~(E) the NorthSTAR Behavioral Health Program~~
 - 23 ~~provided under Chapter 534, Health and Safety Code].~~

24 SECTION 2.25. (a) Chapter 533, Government Code, is amended
25 by adding Subchapter E to read as follows:

1 SUBCHAPTER E. PILOT PROGRAM TO INCREASE INCENTIVE-BASED PROVIDER
2 PAYMENTS

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

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

16 (1) are structured to reward appropriate, quality
17 care;

18 (2) align outcomes of the pilot program with the
19 commission's Medicaid managed care quality-based payment programs;

20 (3) are not intended to supplant existing
21 incentive-based contracts between the managed care organizations
22 and providers;

23 (4) are structured to encourage formal arrangements
24 among providers to work together to provide better patient care;

25 (5) are adopted by all managed care organizations
26 providing services under the Medicaid managed care program through
27 the same managed care service delivery model so that similar

1 incentive methodologies apply to all participating providers under
2 the same model; and

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

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

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

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

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

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

23 (c) The Health and Human Services Commission, in a contract
24 between the commission and a managed care organization under
25 Chapter 533, Government Code, that is entered into or renewed on or
26 after September 1, 2018, shall require that the managed care
27 organization implement the incentive-based provider payment goals

1 and outcome measures identified by the commission under Section
2 533.083, Government Code, as added by this article.

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

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

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

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

26 (1) property and facility costs, including costs
27 associated with purchasing or leasing facilities;

1 (2) ease of public access by main roads and public
2 transportation; and

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

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

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

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

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

21 (2) the Sunset Advisory Commission; and

22 (3) the Legislative Budget Board.

23 (f) This section expires September 1, 2017.

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

26 (b) This section applies to health or mental health
27 benefits, services, or assistance provided by the department that

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1 the department anticipates will be impacted by a health insurance
2 exchange as defined by Section 1001.081(a), including:

3 (1) community primary health care services provided
4 under Chapter 31;

5 (2) women's and children's health services provided
6 under Chapter 32;

7 (3) services for children with special health care
8 needs provided under Chapter 35;

9 (4) epilepsy program assistance provided under
10 Chapter 40;

11 (5) hemophilia program assistance provided under
12 Chapter 41;

13 (6) kidney health care services provided under Chapter
14 42;

15 (7) human immunodeficiency virus infection and
16 sexually transmitted disease prevention programs and services
17 provided under Chapter 85;

18 (8) immunization programs provided under Chapter 161;

19 (9) programs and services provided by the Rio Grande
20 State Center under Chapter 252;

21 (10) mental health services for adults provided under
22 Chapter 534;

23 (11) mental health services for children provided
24 under Chapter 534;

25 (12) [~~the NorthSTAR Behavioral Health Program~~
26 ~~provided under Chapter 534,~~

27 [~~(13)~~] programs and services provided by community

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1 mental health hospitals under Chapter 552;

2 (13) [~~(14)~~] programs and services provided by state
3 mental health hospitals under Chapter 552; and

4 (14) [~~(15)~~] any other health or mental health program
5 or service designated by the department.

6 SECTION 2.28. Section 1001.201(2), Health and Safety Code,
7 as added by Chapter 1306 (H.B. 3793), Acts of the 83rd Legislature,
8 Regular Session, 2013, is amended to read as follows:

9 (2) "Local mental health authority" has the meaning
10 assigned by Section 531.002 [~~and includes the local behavioral~~
11 ~~health authority for the NorthSTAR Behavioral Health Program~~].

12 SECTION 2.29. Subchapter A, Chapter 33, Human Resources
13 Code, is amended by adding Section 33.018 to read as follows:

14 Sec. 33.018. SNAP ELIGIBILITY FOLLOWING CERTAIN CRIMINAL
15 CONVICTIONS. (a) As authorized by 21 U.S.C. Section 862a(d)(1)
16 and except as provided by this section, 21 U.S.C. Section
17 862a(a)(2) does not apply in determining the eligibility of any
18 person for the supplemental nutrition assistance program.

19 (b) 21 U.S.C. Section 862a(a)(2) applies in determining the
20 eligibility for the supplemental nutrition assistance program of a
21 person who has been convicted of, and released on parole or placed
22 on community supervision for, any felony offense that has as an
23 element the possession, use, or distribution of a controlled
24 substance, as defined in 21 U.S.C. Section 802, if the person
25 violates any condition of that parole or community supervision. A
26 person described by this subsection is ineligible for the
27 supplemental nutrition assistance program only for a two-year

1 period beginning on the date the person is found to have violated
2 the condition of parole or community supervision, as authorized by
3 21 U.S.C. Section 862a(d)(1)(B).

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

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

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

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

1 treatment, or research.

2 (c) In developing the strategic plan, the Health and Human
3 Service Commission shall:

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

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

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

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

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

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

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

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

27 (d) Not later than December 31, 2016, the Department of

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1 State Health Services shall deliver to the governor and members of
2 the legislature the strategic plan and recommendations on goal
3 implementation and schedule compliance related to the strategic
4 plan developed as required by this section.

5 (e) This section expires January 1, 2017.

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

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

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

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

19 (3) mid-level health care practitioners;

20 (4) cancer epidemiologists;

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

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

27 (7) human papillomavirus-associated cancer survivors;

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

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

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

10 (11) other people the department determines are
11 necessary.

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

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

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

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

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

26 (5) review technology available to diagnose and
27 prevent infection by human papillomavirus;

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1 (6) develop methods for creating partnerships with
2 public and private entities to increase awareness of human
3 papillomavirus-associated cancer and of the importance of
4 vaccination education and regular screening;

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

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

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

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

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

22 (e) This section expires January 1, 2017.

23 ARTICLE 3. HEALTH AND HUMAN SERVICES SYSTEM ADVISORY ENTITIES

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

26 (d) Not later than September 30, 2014, the department and
27 the Department of State Health Services shall file a report with the

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1 legislature [~~and the Council on Children and Families~~] on the
2 results of the study required by Subsection (a). The report must
3 include:

4 (1) each option to prevent relinquishment of parental
5 custody that was considered during the study;

6 (2) each option recommended for implementation, if
7 any;

8 (3) each option that is implemented using existing
9 resources;

10 (4) any policy or statutory change needed to implement
11 a recommended option;

12 (5) the fiscal impact of implementing each option, if
13 any;

14 (6) the estimated number of children and families that
15 may be affected by the implementation of each option; and

16 (7) any other significant information relating to the
17 study.

18 SECTION 3.02. (a) Section 531.012, Government Code, as
19 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
20 2015, is amended to read as follows:

21 Sec. 531.012. ADVISORY COMMITTEES. (a) The executive
22 commissioner shall establish and maintain [~~may appoint~~] advisory
23 committees to consider issues and solicit public input across all
24 major areas of the health and human services system which may be
25 from various geographic areas across the state, which may be done
26 either in person or through teleconferencing centers, including
27 relating to the following issues:

- 1 (1) Medicaid and other social services programs;
- 2 (2) managed care under Medicaid and the child health
- 3 plan program;
- 4 (3) health care quality initiatives;
- 5 (4) aging;
- 6 (5) persons with disabilities, including persons with
- 7 autism;
- 8 (6) rehabilitation, including for persons with brain
- 9 injuries;
- 10 (7) children;
- 11 (8) public health;
- 12 (9) behavioral health;
- 13 (10) regulatory matters;
- 14 (11) protective services; and
- 15 (12) prevention efforts.
- 16 (b) Chapter 2110 applies to an advisory committee
- 17 established under this section.
- 18 (c) The executive commissioner shall adopt rules:
- 19 (1) in compliance with Chapter 2110 to govern an
- 20 advisory committee's purpose, tasks, reporting requirements, and
- 21 date of abolition; and
- 22 (2) related to an advisory committee's:
- 23 (A) size and quorum requirements;
- 24 (B) membership, including:
- 25 (i) qualifications to be a member,
- 26 including any experience requirements;
- 27 (ii) required geographic representation;

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1 (iii) appointment procedures; and
2 (iv) terms of members; and
3 (C) duty to comply with the requirements for open
4 meetings under Chapter 551.

5 (d) An advisory committee established under this section
6 shall:

7 (1) report any recommendations to the executive
8 commissioner at a meeting of the Health and Human Services
9 Commission Executive Council established under Section 531.0051;
10 and

11 (2) submit a written report to the legislature of any
12 policy recommendations made to the executive commissioner under
13 Subdivision (1) [as needed].

14 (b) Not later than March 1, 2016, the executive commissioner
15 of the Health and Human Services Commission shall adopt rules under
16 Section 531.012, Government Code, as amended by this article. This
17 subsection takes effect September 1, 2015.

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

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

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

26 (c) The commission shall make available on the commission's
27 Internet website:

- 1 (1) the master calendar;
- 2 (2) all meeting materials for an advisory committee
- 3 meeting; and
- 4 (3) streaming live video of each advisory committee
- 5 meeting.

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

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

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

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

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

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

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

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

24 (B) annually review health care services,
 25 considering new clinical findings, to determine whether
 26 reimbursement for particular services should be denied or
 27 authorized;

1 (5) establish a separate provider identifier for
2 telemedicine medical services providers, telehealth services
3 providers, and home telemonitoring services providers; and

4 (6) establish a separate modifier for telemedicine
5 medical services, telehealth services, and home telemonitoring
6 services eligible for reimbursement.

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

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

11 SECTION 3.06. Section 531.051(c), Government Code, as
12 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
13 2015, is amended to read as follows:

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

16 (1) [~~with assistance from the work group established~~
17 ~~under Section 531.052,~~] determine which services are appropriate
18 and suitable for delivery through consumer direction;

19 (2) ensure that each consumer direction model is
20 designed to comply with applicable federal and state laws;

21 (3) maintain procedures to ensure that a potential
22 consumer or the consumer's legally authorized representative has
23 adequate and appropriate information, including the
24 responsibilities of a consumer or representative under each service
25 delivery option, to make an informed choice among the types of
26 consumer direction models;

27 (4) require each consumer or the consumer's legally

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1 authorized representative to sign a statement acknowledging
2 receipt of the information required by Subdivision (3);

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

5 (A) adherence to existing applicable program
6 standards;

7 (B) appropriate use of funds; and

8 (C) consumer satisfaction with the delivery of
9 services;

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

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

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

20 Sec. 531.067. PROGRAM TO IMPROVE AND MONITOR CERTAIN
21 OUTCOMES OF RECIPIENTS UNDER CHILD HEALTH PLAN PROGRAM AND MEDICAID

22 [~~PUBLIC ASSISTANCE HEALTH BENEFIT REVIEW AND DESIGN COMMITTEE~~].

23 The [~~(a) The commission shall appoint a Public Assistance Health~~
24 ~~Benefit Review and Design Committee. The committee consists of~~
25 ~~nine representatives of health care providers participating in~~
26 ~~Medicaid or the child health plan program, or both. The committee~~
27 ~~membership must include at least three representatives from each~~

1 ~~program.~~

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

4 ~~[(c) The committee shall meet at the call of the presiding~~
5 ~~officer.~~

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

12 ~~[(1) review benefits provided under each of the~~
13 ~~programs, and~~

14 ~~[(2) review procedures for addressing high~~
15 ~~utilization of benefits by recipients.~~

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

19 ~~[(f) Section 2110.008 does not apply to the committee.~~

20 ~~[(g) In performing the duties under this section, the]~~
21 commission may design and implement a program to improve and
22 monitor clinical and functional outcomes of a recipient of services
23 under Medicaid or the state child health plan program. The program
24 may use financial, clinical, and other criteria based on pharmacy,
25 medical services, and other claims data related to Medicaid or the
26 child health plan program. ~~[The commission must report to the~~
27 ~~committee on the fiscal impact, including any savings associated~~

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1 ~~with the strategies utilized under this section.]~~

2 SECTION 3.08. (a) Section 531.0691, Government Code, as
3 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
4 2015, is redesignated as Section 531.0735, Government Code, to read
5 as follows:

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

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

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

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

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

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

24 (1) allow for the repeat of retrospective drug use
25 reviews that address ongoing drug therapy problems and that, in
26 previous years, improved client outcomes and reduced Medicaid
27 spending;

1 (2) consider implementing disease-specific
2 retrospective drug use reviews that address ongoing drug therapy
3 problems in this state and that reduced Medicaid prescription drug
4 use expenditures in other states; and

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

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

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

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

19 (e) The cost-saving estimates for prospective drug use
20 reviews under Subsection (d) must include savings attributed to
21 drug use reviews performed through the vendor drug program's
22 electronic claims processing system and clinical edits screened
23 through the prior authorization system implemented under Section
24 531.073.

25 (f) The commission shall post the annual report regarding
26 the Medicaid Drug Utilization Review Program on the commission's
27 website.

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1 (b) Subchapter B, Chapter 531, Government Code, is amended
2 by adding Section 531.0736 to read as follows:

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

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

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

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

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

14 (4) review drug utilization across Medicaid; and

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

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

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

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

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

26 (A) provide services across the entire
27 population of Medicaid recipients and represent different

1 specialties, including at least one of each of the following types
2 of physicians:

- 3 (i) a pediatrician;
- 4 (ii) a primary care physician;
- 5 (iii) an obstetrician and gynecologist;
- 6 (iv) a child and adolescent psychiatrist;

7 and

- 8 (v) an adult psychiatrist; and

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

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

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

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

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

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

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

26 (g) The board shall hold a public meeting quarterly at the
27 call of the presiding officer and shall permit public comment

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

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

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

24 (j) In addition to the rules under Subsection (i), the
25 executive commissioner by rule shall require the board or the
26 board's designee to present a summary of any clinical efficacy and
27 safety information or analyses regarding a drug under consideration

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1 for a preferred drug list that is provided to the board by a private
2 entity that has contracted with the commission to provide the
3 information. The board or the board's designee shall provide the
4 summary in electronic form before the public meeting at which
5 consideration of the drug occurs. Confidential information
6 described by Section 531.071 must be omitted from the summary. The
7 summary must be posted on the commission's Internet website.

8 (k) To the extent feasible, the board shall review all drug
9 classes included in the preferred drug lists adopted under Section
10 531.072 at least once every 12 months and may recommend inclusions
11 to and exclusions from the lists to ensure that the lists provide
12 for a range of clinically effective, safe, cost-effective, and
13 medically appropriate drug therapies for the diverse segments of
14 the Medicaid population, children receiving health benefits
15 coverage under the child health plan program, and any other
16 affected individuals.

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

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

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

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1 placement of drugs on the preferred drug list. The public
2 disclosure must include:

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

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

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

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

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

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

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

26 (1) the recommendations of the Drug Utilization Review
27 Board [~~Pharmaceutical and Therapeutics Committee established~~]

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1 under Section 531.0736 [~~531.074~~];

2 (2) the clinical efficacy of the drug;

3 (3) the price of competing drugs after deducting any
4 federal and state rebate amounts; and

5 (4) program benefit offerings solely or in conjunction
6 with rebates and other pricing information.

7 (e) In this subsection, "labeler" and "manufacturer" have
8 the meanings assigned by Section 531.070. The commission shall
9 ensure that:

10 (1) a manufacturer or labeler may submit written
11 evidence supporting the inclusion of a drug on the preferred drug
12 lists before a supplemental agreement is reached with the
13 commission; and

14 (2) any drug that has been approved or has had any of
15 its particular uses approved by the United States Food and Drug
16 Administration under a priority review classification will be
17 reviewed by the Drug Utilization Review Board [~~Pharmaceutical and~~
18 ~~Therapeutics Committee~~] at the next regularly scheduled meeting of
19 the board [~~committee~~]. On receiving notice from a manufacturer or
20 labeler of the availability of a new product, the commission, to the
21 extent possible, shall schedule a review for the product at the next
22 regularly scheduled meeting of the board [~~committee~~].

23 (e) Section 531.073(b), Government Code, is amended to read
24 as follows:

25 (b) The commission shall establish procedures for the prior
26 authorization requirement under the Medicaid vendor drug program to
27 ensure that the requirements of 42 U.S.C. Section 1396r-8(d)(5) and

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1 its subsequent amendments are met. Specifically, the procedures
2 must ensure that:

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

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

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

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

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

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

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

26 (3) the rationale for any departure from a
27 recommendation of the Drug Utilization Review Board

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1 [~~pharmaceutical and therapeutics committee established~~] under
2 Section 531.0736 [~~531.074~~].

3 (g) Section 531.074, Government Code, as amended by S.B.
4 219, Acts of the 84th Legislature, Regular Session, 2015, is
5 repealed.

6 (h) The term of a member serving on the Medicaid Drug
7 Utilization Review Board on January 1, 2016, expires on February
8 29, 2016. Not later than March 1, 2016, the executive commissioner
9 of the Health and Human Services Commission shall appoint the
10 initial members to the Drug Utilization Review Board in accordance
11 with Section 531.0736, Government Code, as added by this article,
12 for terms beginning March 1, 2016. In making the initial
13 appointments and notwithstanding Section 531.0736(e), Government
14 Code, as added by this article, the executive commissioner shall
15 designate as close to one-half as possible of the members to serve
16 for terms expiring March 1, 2018, and the remaining members to serve
17 for terms expiring March 1, 2020.

18 (i) Not later than February 1, 2016, and before making
19 initial appointments to the Drug Utilization Review Board as
20 provided by Subsection (h) of this section, the executive
21 commissioner of the Health and Human Services Commission shall
22 adopt and implement the application process required under Section
23 531.0736(c-1), Government Code, as added by this article.

24 (j) Not later than May 1, 2016, and except as provided by
25 Subsection (i) of this section, the executive commissioner of the
26 Health and Human Services Commission shall adopt or amend rules as
27 necessary to reflect the changes in law made to the Drug Utilization

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1 Review Board under Section 531.0736, Government Code, as added by
2 this article, including rules that reflect the changes to the
3 board's functions and composition.

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

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

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

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

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

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

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

24 SECTION 3.11. Section 531.907(a), Government Code, as
25 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
26 2015, is amended to read as follows:

27 (a) Based on [~~the recommendations of the advisory committee~~

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1 ~~established under Section 531.904 and]~~ feedback provided by
2 interested parties, the commission in stage two of implementing the
3 health information exchange system may expand the system by:

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

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

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

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

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

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

24 Sec. 531.909. INCENTIVES. The commission [~~and the advisory~~
25 ~~committee established under Section 531.904]~~ shall develop
26 strategies to encourage health care providers to use the health
27 information exchange system, including incentives, education, and

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1 outreach tools to increase usage.

2 SECTION 3.13. Section 533.00251(c), Government Code, as
3 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
4 2015, is amended to read as follows:

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

11 (1) that the commission is responsible for setting the
12 minimum reimbursement rate paid to a nursing facility under the
13 managed care program, including the staff rate enhancement paid to
14 a nursing facility that qualifies for the enhancement;

15 (2) that a nursing facility is paid not later than the
16 10th day after the date the facility submits a clean claim;

17 (3) the appropriate utilization of services
18 consistent with criteria established by the commission;

19 (4) a reduction in the incidence of potentially
20 preventable events and unnecessary institutionalizations;

21 (5) that a managed care organization providing
22 services under the managed care program provides discharge
23 planning, transitional care, and other education programs to
24 physicians and hospitals regarding all available long-term care
25 settings;

26 (6) that a managed care organization providing
27 services under the managed care program:

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1 (A) assists in collecting applied income from
2 recipients; and

3 (B) provides payment incentives to nursing
4 facility providers that reward reductions in preventable acute care
5 costs and encourage transformative efforts in the delivery of
6 nursing facility services, including efforts to promote a
7 resident-centered care culture through facility design and
8 services provided;

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

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

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

20 (A) acute care professionals; and

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

24 SECTION 3.14. Section 533.00253, Government Code, is
25 amended by amending Subsection (b), as amended by S.B. 219, Acts of
26 the 84th Legislature, Regular Session, 2015, and Subsection (f) to
27 read as follows:

1 (b) Subject to Section 533.0025, the commission shall, in
2 consultation with the [~~advisory committee and the~~] Children's
3 Policy Council established under Section 22.035, Human Resources
4 Code, establish a mandatory STAR Kids capitated managed care
5 program tailored to provide Medicaid benefits to children with
6 disabilities. The managed care program developed under this
7 section must:

8 (1) provide Medicaid benefits that are customized to
9 meet the health care needs of recipients under the program through a
10 defined system of care;

11 (2) better coordinate care of recipients under the
12 program;

13 (3) improve the health outcomes of recipients;

14 (4) improve recipients' access to health care
15 services;

16 (5) achieve cost containment and cost efficiency;

17 (6) reduce the administrative complexity of
18 delivering Medicaid benefits;

19 (7) reduce the incidence of unnecessary
20 institutionalizations and potentially preventable events by
21 ensuring the availability of appropriate services and care
22 management;

23 (8) require a health home; and

24 (9) coordinate and collaborate with long-term care
25 service providers and long-term care management providers, if
26 recipients are receiving long-term services and supports outside of
27 the managed care organization.

1 (f) The commission shall seek ongoing input from the
2 Children's Policy Council regarding the establishment and
3 implementation of the STAR Kids managed care program. This
4 subsection expires on the date the Children's Policy Council is
5 abolished under Section 22.035(n), Human Resources Code.

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

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

- 11 (1) the advisory committee is abolished; and
12 (2) this section expires.

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

15 (a) In consultation with [~~the Medicaid and CHIP~~
16 ~~Quality-Based Payment Advisory Committee established under Section~~
17 ~~536.002 and other~~] appropriate stakeholders with an interest in the
18 provision of acute care services and long-term services and
19 supports under the Medicaid managed care program, the commission
20 shall:

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

25 (2) require managed care organizations to develop and
26 implement collaborative program improvement strategies to address
27 the goals.

1 SECTION 3.17. Section 534.053(g), Government Code, is
2 amended to read as follows:

3 (g) On the one-year anniversary of the date the commission
4 completes implementation of the transition required under Section
5 534.202 [January 1, 2024]:

6 (1) the advisory committee is abolished; and

7 (2) this section expires.

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

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

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

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

25 (a) The Texas Nonprofit Council is established to help
26 direct the interagency coordinating group in carrying out the
27 group's duties under this section. The state agencies of the

1 interagency coordinating group described by Section 535.051(b)
2 [~~commission~~] shall provide administrative support to the council as
3 coordinated by the presiding officer of the interagency
4 coordinating group.

5 (b) The governor [~~executive commissioner~~], in consultation
6 with the presiding officer of the interagency coordinating group,
7 shall appoint as members of the council two representatives from
8 each of the following groups and entities to represent each group's
9 and entity's appropriate sector:

- 10 (1) statewide nonprofit organizations;
- 11 (2) local governments;
- 12 (3) faith-based groups, at least one of which must be a
13 statewide interfaith group;
- 14 (4) community-based groups;
- 15 (5) consultants to nonprofit corporations; and
- 16 (6) statewide associations of nonprofit
17 organizations.

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

20 (a) The commission shall:

21 (1) contract with the State Commission on National and
22 Community Service to administer funds appropriated from the account
23 in a manner that:

24 (A) consolidates the capacity of and strengthens
25 national service and community and faith- and community-based
26 initiatives; and

27 (B) leverages public and private funds to benefit

1 this state;

2 (2) develop a competitive process to be used in
3 awarding grants from account funds that is consistent with state
4 law and includes objective selection criteria;

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

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

11 (5) establish general state priorities for the
12 account;

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

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

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

25 (20) "Potentially preventable readmission" means a
26 return hospitalization of a person within a period specified by the
27 commission that may have resulted from deficiencies in the care or

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1 treatment provided to the person during a previous hospital stay or
2 from deficiencies in post-hospital discharge follow-up. The term
3 does not include a hospital readmission necessitated by the
4 occurrence of unrelated events after the discharge. The term
5 includes the readmission of a person to a hospital for:

6 (A) the same condition or procedure for which the
7 person was previously admitted;

8 (B) an infection or other complication resulting
9 from care previously provided;

10 (C) a condition or procedure that indicates that
11 a surgical intervention performed during a previous admission was
12 unsuccessful in achieving the anticipated outcome; or

13 (D) another condition or procedure of a similar
14 nature, as determined by the executive commissioner [~~after~~
15 ~~consulting with the advisory committee~~].

16 SECTION 3.22. Section 536.003(a), Government Code, as
17 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
18 2015, is amended to read as follows:

19 (a) The commission[~~, in consultation with the advisory~~
20 ~~committee,~~] shall develop quality-based outcome and process
21 measures that promote the provision of efficient, quality health
22 care and that can be used in the child health plan program and
23 Medicaid to implement quality-based payments for acute care
24 services and long-term services and supports across all delivery
25 models and payment systems, including fee-for-service and managed
26 care payment systems. Subject to Subsection (a-1), the commission,
27 in developing outcome and process measures under this section, must

1 include measures that are based on potentially preventable events
2 and that advance quality improvement and innovation. The
3 commission may change measures developed:

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

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

8 SECTION 3.23. Section 536.004(a), Government Code, as
9 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
10 2015, is amended to read as follows:

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

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

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

24 (3) promote the coordination of health care;

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

27 (5) promote effective health care delivery models; and

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1 (6) take into account the specific needs of the child
2 health plan program enrollee and Medicaid recipient populations.

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

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

6 (1) ensure transparency in the development and
7 establishment of:

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

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

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

23 (3) in developing and establishing the quality-based
24 payment and reimbursement systems and initiatives described under
25 Subdivision (1), consider that as the performance of a managed care
26 organization or physician or other health care provider improves
27 with respect to an outcome or process measure, quality of care and

1 cost-efficiency benchmark, or efficiency performance standard, as
2 applicable, there will be a diminishing rate of improved
3 performance over time; and

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

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

11 (b) The commission[~~, after consulting with the advisory~~
12 ~~committee,~~] shall develop quality of care and cost-efficiency
13 benchmarks, including benchmarks based on a managed care
14 organization's performance with respect to reducing potentially
15 preventable events and containing the growth rate of health care
16 costs.

17 SECTION 3.26. Section 536.102(a), Government Code, is
18 amended to read as follows:

19 (a) Subject to this subchapter, the commission[~~, after~~
20 ~~consulting with the advisory committee,~~] may develop and implement
21 quality-based payment systems for health homes designed to improve
22 quality of care and reduce the provision of unnecessary medical
23 services. A quality-based payment system developed under this
24 section must:

25 (1) base payments made to a participating enrollee's
26 health home on quality and efficiency measures that may include
27 measurable wellness and prevention criteria and use of

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1 evidence-based best practices, sharing a portion of any realized
2 cost savings achieved by the health home, and ensuring quality of
3 care outcomes, including a reduction in potentially preventable
4 events; and

5 (2) allow for the examination of measurable wellness
6 and prevention criteria, use of evidence-based best practices, and
7 quality of care outcomes based on the type of primary or specialty
8 care provider practice.

9 SECTION 3.27. Section 536.152(a), Government Code, is
10 amended to read as follows:

11 (a) Subject to Subsection (b), using the data collected
12 under Section 536.151 and the diagnosis-related groups (DRG)
13 methodology implemented under Section 536.005, if applicable, the
14 commission[~~, after consulting with the advisory committee,~~] shall
15 to the extent feasible adjust child health plan and Medicaid
16 reimbursements to hospitals, including payments made under the
17 disproportionate share hospitals and upper payment limit
18 supplemental payment programs, based on the hospital's performance
19 with respect to exceeding, or failing to achieve, outcome and
20 process measures developed under Section 536.003 that address the
21 rates of potentially preventable readmissions and potentially
22 preventable complications.

23 SECTION 3.28. Section 536.202(a), Government Code, is
24 amended to read as follows:

25 (a) The commission shall[~~, after consulting with the~~
26 ~~advisory committee,~~] establish payment initiatives to test the
27 effectiveness of quality-based payment systems, alternative

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1 payment methodologies, and high-quality, cost-effective health
2 care delivery models that provide incentives to physicians and
3 other health care providers to develop health care interventions
4 for child health plan program enrollees or Medicaid recipients, or
5 both, that will:

- 6 (1) improve the quality of health care provided to the
- 7 enrollees or recipients;
- 8 (2) reduce potentially preventable events;
- 9 (3) promote prevention and wellness;
- 10 (4) increase the use of evidence-based best practices;
- 11 (5) increase appropriate physician and other health
- 12 care provider collaboration;
- 13 (6) contain costs; and
- 14 (7) improve integration of acute care services and
- 15 long-term services and supports, including discharge planning from
- 16 acute care services to community-based long-term services and
- 17 supports.

18 SECTION 3.29. Section 536.204(a), Government Code, is
19 amended to read as follows:

20 (a) The executive commissioner shall[+
 21 [~~(1) consult with the advisory committee to~~] develop
 22 quality of care and cost-efficiency benchmarks and measurable goals
 23 that a payment initiative must meet to ensure high-quality and
 24 cost-effective health care services and healthy outcomes[+and
 25 [~~(2) approve benchmarks and goals developed as~~
 26 ~~provided by Subdivision (1)~~].

27 SECTION 3.30. Section 536.251(a), Government Code, is

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1 amended to read as follows:

2 (a) Subject to this subchapter, the commission, after
3 consulting with [~~the advisory committee and other~~] appropriate
4 stakeholders representing nursing facility providers with an
5 interest in the provision of long-term services and supports, may
6 develop and implement quality-based payment systems for Medicaid
7 long-term services and supports providers designed to improve
8 quality of care and reduce the provision of unnecessary services. A
9 quality-based payment system developed under this section must base
10 payments to providers on quality and efficiency measures that may
11 include measurable wellness and prevention criteria and use of
12 evidence-based best practices, sharing a portion of any realized
13 cost savings achieved by the provider, and ensuring quality of care
14 outcomes, including a reduction in potentially preventable events.

15 SECTION 3.31. Section 538.052(a), Government Code, as
16 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
17 2015, is amended to read as follows:

18 (a) Subject to Subsection (b), the commission shall solicit
19 and accept suggestions for clinical initiatives, in either written
20 or electronic form, from:

- 21 (1) a member of the state legislature;
- 22 (2) the executive commissioner;
- 23 (3) the commissioner of aging and disability services;
- 24 (4) the commissioner of state health services;
- 25 (5) the commissioner of the Department of Family and
26 Protective Services;
- 27 (6) the commissioner of assistive and rehabilitative

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1 services;

2 (7) the medical care advisory committee established
3 under Section 32.022, Human Resources Code; and

4 (8) the physician payment advisory committee created
5 under Section 32.022(d), Human Resources Code[~~, and~~

6 [~~(9) the Electronic Health Information Exchange~~
7 ~~System Advisory Committee established under Section 531.904]~~.

8 SECTION 3.32. Section 98.1046(a), Health and Safety Code,
9 is amended to read as follows:

10 (a) The [~~In consultation with the Texas Institute of Health~~
11 ~~Care Quality and Efficiency under Chapter 1002, the]~~ department,
12 using data submitted under Chapter 108, shall publicly report for
13 hospitals in this state risk-adjusted outcome rates for those
14 potentially preventable complications and potentially preventable
15 readmissions that the department[~~, in consultation with the~~
16 ~~institute,~~] has determined to be the most effective measures of
17 quality and efficiency.

18 SECTION 3.33. Section 98.1047(a), Health and Safety Code,
19 is amended to read as follows:

20 (a) The [~~In consultation with the Texas Institute of Health~~
21 ~~Care Quality and Efficiency under Chapter 1002, the]~~ department
22 shall study which adverse health conditions commonly occur in
23 long-term care facilities and, of those health conditions, which
24 are potentially preventable.

25 SECTION 3.34. Section 98.1065, Health and Safety Code, is
26 amended to read as follows:

27 Sec. 98.1065. STUDY OF INCENTIVES AND RECOGNITION FOR

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1 HEALTH CARE QUALITY. The department [~~in consultation with the~~
2 ~~Texas Institute of Health Care Quality and Efficiency under Chapter~~
3 ~~1002,~~] shall conduct a study on developing a recognition program to
4 recognize exemplary health care facilities for superior quality of
5 health care and make recommendations based on that study.

6 SECTION 3.35. Section 22.035, Human Resources Code, is
7 amended by adding Subsection (n) to read as follows:

8 (n) The work group is abolished and this section expires
9 September 1, 2017.

10 SECTION 3.36. (a) Section 32.022(b), Human Resources
11 Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular
12 Session, 2015, is amended to read as follows:

13 (b) The executive commissioner shall appoint the committee
14 in compliance with the requirements of the federal agency
15 administering medical assistance. The appointments shall:

16 (1) provide for a balanced representation of the
17 general public, providers, consumers, and other persons, state
18 agencies, or groups with knowledge of and interest in the
19 committee's field of work; and

20 (2) include one member who is the representative of a
21 managed care organization.

22 (b) Not later than January 1, 2016, the executive
23 commissioner of the Health and Human Services Commission shall
24 appoint an additional member to the medical care advisory committee
25 in accordance with Section 32.022(b)(2), Human Resources Code, as
26 added by this article.

27 SECTION 3.37. Section 32.0641(a), Human Resources Code, as

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1 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
2 2015, is amended to read as follows:

3 (a) To the extent permitted under and in a manner that is
4 consistent with Title XIX, Social Security Act (42 U.S.C. Section
5 1396 et seq.) and any other applicable law or regulation or under a
6 federal waiver or other authorization, the executive commissioner
7 shall adopt~~[, after consulting with the Medicaid and CHIP~~
8 ~~Quality-Based Payment Advisory Committee established under Section~~
9 ~~536.002, Government Code,]~~ cost-sharing provisions that encourage
10 personal accountability and appropriate utilization of health care
11 services, including a cost-sharing provision applicable to a
12 recipient who chooses to receive a nonemergency medical service
13 through a hospital emergency room.

14 SECTION 3.38. Section 1352.004(b), Insurance Code, is
15 amended to read as follows:

16 (b) The commissioner by rule shall require a health benefit
17 plan issuer to provide adequate training to personnel responsible
18 for preauthorization of coverage or utilization review under the
19 plan. The purpose of the training is to prevent denial of coverage
20 in violation of Section 1352.003 and to avoid confusion of medical
21 benefits with mental health benefits. The commissioner~~[, in~~
22 ~~consultation with the Texas Traumatic Brain Injury Advisory~~
23 ~~Council,]~~ shall prescribe by rule the basic requirements for the
24 training described by this subsection.

25 SECTION 3.39. Section 1352.005(b), Insurance Code, is
26 amended to read as follows:

27 (b) The commissioner~~[, in consultation with the Texas~~

1 ~~Traumatic Brain Injury Advisory Council,~~] shall prescribe by rule
2 the specific contents and wording of the notice required under this
3 section.

4 SECTION 3.40. (a) The following provisions of the
5 Government Code, including provisions amended by S.B. 219, Acts of
6 the 84th Legislature, Regular Session, 2015, are repealed:

- 7 (1) Section 531.0217(j);
- 8 (2) Section 531.02172;
- 9 (3) Section 531.02173(c);
- 10 (4) Section 531.052;
- 11 (5) Section 531.0571;
- 12 (6) Section 531.068;
- 13 (7) Sections 531.121(1), (5), and (6);
- 14 (8) Section 531.122;
- 15 (9) Section 531.123;
- 16 (10) Section 531.1235;
- 17 (11) Section 531.251;
- 18 (12) Subchapters R and T, Chapter 531;
- 19 (13) Section 531.904;
- 20 (14) Section 533.00251(a)(1);
- 21 (15) Section 533.00252;
- 22 (16) Sections 533.00255(e) and (f);
- 23 (17) Section 533.00285;
- 24 (18) Subchapters B and C, Chapter 533;
- 25 (19) Section 535.055(f);
- 26 (20) Section 535.108;
- 27 (21) Section 536.001(1);

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1 (22) Section 536.002; and

2 (23) Section 536.007(b).

3 (b) The following provisions of the Health and Safety Code,
4 including provisions amended by S.B. 219, Acts of the 84th
5 Legislature, Regular Session, 2015, are repealed:

6 (1) Subchapter C, Chapter 32;

7 (2) Section 62.151(e);

8 (3) Section 62.1571(c);

9 (4) Section 81.010;

10 (5) Section 92.011;

11 (6) Subchapter B, Chapter 92;

12 (7) Chapter 115; and

13 (8) Chapter 1002.

14 (c) Section 32.022(e), Human Resources Code, as amended by
15 S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is
16 repealed.

17 (d) Section 848.001(7), Insurance Code, is repealed.

18 SECTION 3.41. On the effective date of this article, the
19 following advisory committees are abolished:

20 (1) the advisory committee on Medicaid and child
21 health plan program rate and expenditure disparities;

22 (2) the Advisory Committee on Qualifications for
23 Health Care Translators and Interpreters;

24 (3) the Behavioral Health Integration Advisory
25 Committee;

26 (4) the Consumer Direction Work Group;

27 (5) the Council on Children and Families;

- 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
6 Hepatitis;
- 7 (10) the Medicaid and CHIP Quality-Based Payment
8 Advisory Committee;
- 9 (11) each Medicaid managed care advisory committee
10 appointed for a health care service region under Subchapter B,
11 Chapter 533, Government Code;
- 12 (12) the Public Assistance Health Benefit Review and
13 Design Committee;
- 14 (13) the renewing our communities account advisory
15 committee;
- 16 (14) the STAR + PLUS Nursing Facility Advisory
17 Committee;
- 18 (15) the STAR + PLUS Quality Council;
- 19 (16) the state Medicaid managed care advisory
20 committee;
- 21 (17) the task force on domestic violence;
- 22 (18) the Interagency Task Force for Children With
23 Special Needs;
- 24 (19) the telemedicine and telehealth advisory
25 committee;
- 26 (20) the Texas Institute of Health Care Quality and
27 Efficiency;

- 1 (21) the Texas System of Care Consortium;
2 (22) the Texas Traumatic Brain Injury Advisory
3 Council; and
4 (23) the volunteer advocate program advisory
5 committee.

6 SECTION 3.42. (a) Not later than November 1, 2015, the
7 executive commissioner of the Health and Human Services Commission
8 shall publish in the Texas Register:

9 (1) a list of the new advisory committees established
10 or to be established as a result of this article, including the
11 advisory committees required under Section 531.012(a), Government
12 Code, as amended by this article; and

13 (2) a list that identifies the advisory committees
14 listed in Section 3.41 of this article:

15 (A) that will not be continued in any form; or

16 (B) whose functions will be assumed by a new
17 advisory committee established under Section 531.012(a),
18 Government Code, as amended by this article.

19 (b) The executive commissioner of the Health and Human
20 Services Commission shall ensure that an advisory committee
21 established under Section 531.012(a), Government Code, as amended
22 by this article, begins operations immediately on its establishment
23 to ensure ongoing public input and engagement.

24 (c) This section takes effect September 1, 2015.

25 SECTION 3.43. Except as otherwise provided by this article,
26 this article takes effect January 1, 2016.

1 ARTICLE 4. CONTINUATION OF HEALTH AND HUMAN SERVICES POWERS AND
2 DUTIES

3 SECTION 4.01. Section 531.004, Government Code, is amended
4 to read as follows:

5 Sec. 531.004. SUNSET PROVISION. The Health and Human
6 Services Commission is subject to Chapter 325 (Texas Sunset Act).
7 Unless continued in existence as provided by that chapter, the
8 commission is abolished and this chapter expires September 1, 2027
9 [~~2015~~].

10 SECTION 4.02. Section 108.016, Health and Safety Code, is
11 amended to read as follows:

12 Sec. 108.016. SUNSET REVIEW. Unless the department is
13 continued in existence in accordance with Chapter 325, Government
14 Code (Texas Sunset Act), after the review required by Section
15 1001.003 [~~11.003(b)~~], this chapter expires on the date the
16 department is abolished under that section [~~September 1, 2015~~].

17 SECTION 4.03. Section 1001.003, Health and Safety Code, is
18 amended to read as follows:

19 Sec. 1001.003. SUNSET PROVISION. The Department of State
20 Health Services is subject to Chapter 325, Government Code (Texas
21 Sunset Act). Unless continued in existence as provided by that
22 chapter, the department is abolished and this chapter expires
23 September 1, 2023 [~~2015~~].

24 SECTION 4.04. Section 40.003, Human Resources Code, is
25 amended to read as follows:

26 Sec. 40.003. SUNSET PROVISION. The Department of Family
27 and Protective Services is subject to Chapter 325, Government Code

1 (Texas Sunset Act). Unless continued in existence as provided by
2 that chapter, the department is abolished and this chapter expires
3 September 1, 2023 [~~2015~~].

4 SECTION 4.05. Section 117.003, Human Resources Code, is
5 amended to read as follows:

6 Sec. 117.003. SUNSET PROVISION. Unless the commission is
7 ~~[The Department of Assistive and Rehabilitative Services is subject~~
8 ~~to Chapter 325, Government Code (Texas Sunset Act). Unless]~~
9 continued in existence as provided by Chapter 325, Government Code
10 ~~[that chapter]~~, after the review required by Section 531.004,
11 Government Code, ~~[the department is abolished and]~~ this chapter
12 expires on the date the commission is abolished under that section
13 ~~[September 1, 2015]~~.

14 SECTION 4.06. Section 161.003, Human Resources Code, as
15 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
16 2015, is amended to read as follows:

17 Sec. 161.003. SUNSET PROVISION. Unless the commission is
18 ~~[The department is subject to Chapter 325, Government Code (Texas~~
19 ~~Sunset Act). Unless]~~ continued in existence as provided by Chapter
20 325, Government Code ~~[that chapter]~~, after the review required by
21 Section 531.004, Government Code, ~~[the department is abolished and]~~
22 this chapter expires on the date the commission is abolished under
23 that section ~~[September 1, 2015]~~.

24 ARTICLE 5. VITAL STATISTICS

25 SECTION 5.01. Subchapter A, Chapter 191, Health and Safety
26 Code, is amended by adding Section 191.0031 to read as follows:

27 Sec. 191.0031. CERTIFIED COPIES BY MAIL. The state

1 registrar or a local registrar may not issue a certified copy of a
2 record under this chapter to a person who has applied for the record
3 by mail unless the person has provided notarized proof of identity
4 in accordance with rules adopted by the executive commissioner of
5 the Health and Human Services Commission. The rules may require the
6 issuer of the certified copy to verify the notarization using the
7 records of the secretary of state under Section 406.012, Government
8 Code.

9 SECTION 5.02. Section 191.022, Health and Safety Code, is
10 amended by adding Subsection (g) to read as follows:

11 (g) Each local registrar shall annually submit a
12 self-assessment report to the state registrar. The department
13 shall prescribe the information that must be included in the report
14 to allow a thorough desk audit of a local registrar.

15 SECTION 5.03. Chapter 191, Health and Safety Code, is
16 amended by adding Subchapter D to read as follows:

17 SUBCHAPTER D. ACCESS TO RECORDS

18 Sec. 191.071. CRIMINAL BACKGROUND CHECK REQUIRED. (a) A
19 person may not access vital records maintained by the department
20 under this chapter and may not access the department's vital
21 records electronic registration system unless the department, or
22 another person acting on behalf of the department, has conducted a
23 fingerprint-based criminal background check, using state and
24 federal databases, on the person in accordance with department
25 policy and the person's record is satisfactory as determined under
26 department policy.

27 (b) The department may adopt a policy waiving the

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1 requirement of a fingerprint-based background check for a person
2 who previously submitted to a fingerprint-based background check as
3 a condition of licensure by a state agency.

4 SECTION 5.04. Section 411.110(a), Government Code, as
5 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
6 2015, is amended to read as follows:

7 (a) The Department of State Health Services is entitled to
8 obtain from the department criminal history record information
9 maintained by the department that relates to:

10 (1) a person who is:

11 (A) an applicant for a license or certificate
12 under the Emergency Health Care Act (Chapter 773, Health and Safety
13 Code);

14 (B) an owner or manager of an applicant for an
15 emergency medical services provider license under that Act; or

16 (C) the holder of a license or certificate under
17 that Act;

18 (2) an applicant for a license or a license holder
19 under Subchapter N, Chapter 431, Health and Safety Code;

20 (3) an applicant for a license, the owner or manager of
21 an applicant for a massage establishment license, or a license
22 holder under Chapter 455, Occupations Code;

23 (4) an applicant for employment at or current employee
24 of:

25 (A) a public health hospital as defined by
26 Section 13.033, Health and Safety Code; or

27 (B) the South Texas Health Care System; [~~or~~]

1 (5) an applicant for employment at, current employee
2 of, or person who contracts or may contract to provide goods or
3 services with[+

4 [~~(A) the vital statistics unit of the Department~~
5 ~~of State Health Services; or~~

6 [~~(B)~~] the Council on Sex Offender Treatment or
7 other division or component of the Department of State Health
8 Services that monitors sexually violent predators as described by
9 Section 841.003(a), Health and Safety Code; or

10 (6) a person authorized to access vital records or the
11 vital records electronic registration system under Chapter 191,
12 Health and Safety Code, including an employee of or contractor for
13 the Department of State Health Services, a local registrar, a
14 medical professional, or a funeral director.

15 SECTION 5.05. In prescribing the initial requirements for
16 local registrar self-assessment reports under Section 191.022(g),
17 Health and Safety Code, as added by this article, the Department of
18 State Health Services shall solicit comment from local registrars
19 in this state.

20 SECTION 5.06. The Department of State Health Services shall
21 prescribe policies necessary to implement Subchapter D, Chapter
22 191, Health and Safety Code, as added by this article, to take
23 effect March 1, 2016.

24 ARTICLE 6. FEDERAL AUTHORIZATION AND EFFECTIVE DATE

25 SECTION 6.01. If before implementing any provision of this
26 Act a state agency determines that a waiver or authorization from a
27 federal agency is necessary for implementation of that provision,

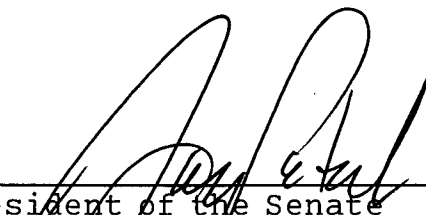
S.B. No. 200


1 the agency affected by the provision shall request the waiver or
2 authorization and may delay implementing that provision until the
3 waiver or authorization is granted.

4 SECTION 6.02. Except as otherwise provided by this Act,
5 this Act takes effect September 1, 2015.


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S.B. No. 200



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.

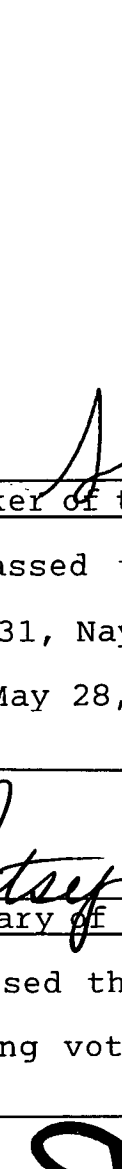

Secretary of the Senate

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:

6-16-2015
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:09 ~~pm~~ O'CLOCK

JUN 17 2015

Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 8, 2015

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 4, 2015

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

<p>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.</p>
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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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 22, 2015

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