

By: Craddick

H.B. No. 1536

A BILL TO BE ENTITLED

AN ACT

relating to a rural community-based care pilot program.

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

SECTION 1. Chapter 264, Family Code, is amended by adding Subchapter B-2 to read as follows:

SUBCHAPTER B-2. RURAL COMMUNITY-BASED CARE PILOT PROGRAM

Sec. 264.181. DEFINITIONS. In this subchapter:

(1) "Catchment area" has the meaning assigned by Section 264.152.

(2) "Community-based care" has the meaning assigned by Section 264.152.

(3) "Eligible rural region" means a catchment area for which the department requested but did not receive bids, proposals, or other applicable expressions of interest to implement community-based care under Subchapter B-1 in which at least two-thirds of the counties comprising the area have a population of 50,000 or less.

(4) "Pilot program" means a rural community-based care pilot program established under this subchapter.

Sec. 264.182. ESTABLISHMENT OF PILOT PROGRAM. The department shall establish a rural community-based care pilot program in an eligible rural region to:

(1) implement a community-based model of child welfare services and increase community engagement in the child welfare

1 system;

2 (2) improve outcomes for children and families by
3 expanding the availability of child welfare services and promoting
4 innovation in the delivery of child welfare services to children
5 and families; and

6 (3) develop a sustainable, replicable model for the
7 provision of child welfare services in rural areas.

8 Sec. 264.183. QUALIFICATIONS OF LEAD ENTITY; SELECTION. (a)
9 To enter into a contract with the department to serve as a lead
10 entity to provide services under this subchapter, an entity must
11 be:

12 (1) a nonprofit entity that has a board of directors
13 composed entirely of residents of the catchment area; or

14 (2) a local government entity.

15 (b) In selecting a lead entity, the department shall
16 consider whether a prospective contractor has:

17 (1) strong community support and partnerships;

18 (2) demonstrated experience leading collaborative
19 initiatives in the region; and

20 (3) the capacity to coordinate with local community
21 organizations to serve children and families.

22 (c) The department shall request local stakeholders in an
23 eligible rural region to provide any necessary information about
24 the region that will assist the department in:

25 (1) preparing the department's request for bids,
26 proposals, or other applicable expressions of interest to provide
27 community-based care in the eligible rural region; and

1 (2) selecting a lead entity to provide community-based
2 care in the eligible rural region.

3 Sec. 264.184. PROGRAM MODEL AND IMPLEMENTATION SCHEDULE;
4 AUTHORITY. (a) The lead entity shall develop a program model that
5 includes a timeline for implementing community-based care in the
6 eligible rural region and that:

7 (1) includes the following services for families and
8 children:

9 (A) early intervention services to prevent entry
10 into foster care;

11 (B) family preservation services, as defined by
12 Section 262.401;

13 (C) case management, as defined by Section
14 264.152;

15 (D) foster care and kinship care services;

16 (E) adoption and post-adoption services;

17 (F) transition services for youth aging out of
18 foster care; and

19 (G) any additional services necessary to meet the
20 needs of children and families in the region;

21 (2) develops and coordinates with a diverse network of
22 service providers, including faith-based organizations, local
23 mental health authorities, and others to ensure comprehensive
24 service delivery;

25 (3) develops and implements innovative approaches to
26 improve outcomes for children and families;

27 (4) addresses any inequities in the region's child

1 welfare system;

2 (5) establishes a quality assurance system; and

3 (6) establishes a system to manage financial
4 resources, including state and federal funds.

5 (b) To implement the program model developed under
6 Subsection (a), a lead entity may:

7 (1) develop and implement policies and procedures
8 regarding the provision of community-based care within the scope of
9 applicable law;

10 (2) allocate resources as needed to meet community
11 needs; and

12 (3) enter into contracts with service providers.

13 Sec. 264.185. COLLABORATIVE GOVERNANCE STRUCTURE. (a) The
14 lead entity shall establish a collaborative governance structure to
15 provide oversight and guidance for the provision of community-based
16 care under the pilot program. The lead entity shall collaborate
17 with:

18 (1) the entity's leadership and staff;

19 (2) local families with lived experience in the child
20 welfare system;

21 (3) local representatives from sectors related to the
22 child welfare system, including the judiciary, education, and
23 health care; and

24 (4) any other community stakeholders.

25 (b) The lead entity shall collaborate with the entities
26 described by Subsection (a) to:

27 (1) develop program policies and procedures;

- 1 (2) identify community needs and resources;
2 (3) monitor program performance and outcomes; and
3 (4) make recommendations for continuous program
4 improvement.

5 (c) The department may only provide advice to the lead
6 agency in the implementation of the pilot program.

7 Sec. 264.186. FUNDING AND RESOURCES. (a) The department
8 shall work with the lead entity to develop a capitated funding model
9 and budget that:

10 (1) provides a fixed rate of funding per child
11 receiving services under the pilot program;

12 (2) accounts for the additional costs of providing
13 services to geographically dispersed populations in rural areas,
14 including:

15 (A) increased transportation costs;

16 (B) challenges in achieving economies of scale in
17 the provision of services;

18 (C) increased costs for recruiting and retaining
19 qualified staff in rural areas; and

20 (D) costs related to building and maintaining
21 service provider networks in rural areas;

22 (3) includes financial risk-sharing mechanisms;

23 (4) incentivizes desired outcomes and cost savings;

24 (5) supports innovation;

25 (6) allows for the reinvestment of cost savings into
26 the program; and

27 (7) allows the lead agency to flexibly allocate funds

1 within the scope of applicable law.

2 (b) The department shall explore and leverage various
3 funding sources, including state and federal funds, to implement
4 and sustain the pilot program.

5 (c) The department may provide the lead entity with
6 resources, including funds and personnel, to implement the pilot
7 program.

8 Sec. 264.187. INTEGRATED ELECTRONIC MANAGEMENT SYSTEM. (a)
9 The department and the lead entity shall implement an integrated
10 electronic management system for community-based care provided
11 under the pilot program that:

- 12 (1) allows for real-time case management;
13 (2) facilitates coordination among service providers;
14 and
15 (3) supports outcome tracking and reporting.

16 (b) The department shall provide to the lead entity
17 technical support and access to data as necessary to facilitate
18 effective implementation of the integrated electronic management
19 system.

20 (c) The department and lead entity shall establish
21 protocols related to the integrated electronic management system to
22 ensure:

- 23 (1) privacy and security of data; and
24 (2) the efficient sharing of information.

25 Sec. 264.188. WORKFORCE DEVELOPMENT. To support the
26 implementation of the pilot program, the lead entity, in
27 collaboration with the department and local educational

1 institutions, shall develop and implement a workforce development
2 plan that includes:

3 (1) strategies that address rural workforce
4 challenges, including strategies for recruiting and retaining
5 child welfare professionals;

6 (2) training programs aligned with best practices in
7 child welfare; and

8 (3) career advancement opportunities.

9 Sec. 264.189. INDEPENDENT EVALUATION. (a) The department
10 shall contract with an independent evaluator with expertise in
11 child welfare and the delivery of child welfare services in rural
12 areas to conduct a comprehensive evaluation of the pilot program.
13 The department shall consult with the lead entity and the entities
14 described by Section 264.185(a) when selecting the independent
15 evaluator.

16 (b) The independent evaluator shall assess:

17 (1) the outcomes for children and families receiving
18 services under the program;

19 (2) the cost-effectiveness of the program;

20 (3) the effectiveness of the community-based care
21 approach to providing child welfare services in rural areas;

22 (4) community engagement and satisfaction with the
23 program;

24 (5) program implementation fidelity; and

25 (6) any systemic changes made in provision of child
26 welfare services in the region under the program.

27 (c) The department and the lead agency shall cooperate with

1 the evaluation process and provide the independent evaluator all
2 necessary data and information to conduct the evaluation required
3 by this section.

4 (d) The department, lead agency, and entities described by
5 Section 264.185(a) shall review the independent evaluator's
6 findings under Subsection (b) and develop an action plan to address
7 any areas for improvement identified by the independent evaluator.

8 Sec. 264.190. WAIVERS. (a) The lead entity may apply to
9 the commissioner of the department for a waiver from any statutory
10 or regulatory requirement that governs the provision of child
11 welfare services.

12 (b) The waiver request must include an explanation of why
13 the waiver is necessary to provide the entity with flexibility or
14 implement innovations in the provision of community-based care
15 under the pilot program.

16 (c) The commissioner of the department shall grant a waiver
17 request under this section if the commissioner determines that:

18 (1) the waiver:

19 (A) will not jeopardize the health, safety, or
20 well-being of children and families receiving services under the
21 program; and

22 (B) is likely to improve outcomes for children
23 and families receiving services under the program; and

24 (2) the lead entity has a:

25 (A) clear plan for implementing the change that
26 requires the waiver; and

27 (B) method for evaluating the effectiveness of

1 the change being implemented under the waiver.

2 (d) Not later than the 30th day after the date the
3 commissioner of the department receives a waiver request, the
4 commissioner shall make a determination on the waiver request. If
5 the commissioner denies a waiver request, the commissioner shall
6 provide to the lead entity a written explanation of the reason for
7 the denial.

8 Sec. 264.191. CONFLICT RESOLUTION PROCESS. (a) The
9 department and lead entity shall establish a formal process for
10 resolving conflicts or disputes that arise during the
11 implementation of the pilot program. The process must prioritize
12 collaborative problem solving and may include mediation if
13 necessary.

14 (b) If a conflict or dispute cannot be resolved through the
15 process described by Subsection (a), the department or the lead
16 entity may request a review by an independent panel of residents of
17 the catchment area appointed by the governor.

18 Sec. 264.192. CHANGE ORDER PROCESS. (a) Except as provided
19 by this section, the department may not change any requirement or
20 responsibility or the scope of work of the lead agency.

21 (b) The department may request a change in writing by
22 providing the lead agency with:

23 (1) a detailed explanation of the proposed change and
24 reasons for the proposed change; and

25 (2) a comprehensive cost analysis for implementing the
26 proposed change that includes:

27 (A) the source of funding for the proposed

1 change; or

2 (B) if funding sufficient to implement the change
3 is not available, an explanation of how existing requirements will
4 be modified for the cost of the proposed change to fit into the
5 existing budget.

6 (c) A change request under this section is subject to
7 negotiation between the lead entity and the department. The lead
8 entity may reject any proposed change that is not adequately funded
9 or substantially alters the provision of community-based care under
10 the contract executed between the department and the entity. In the
11 event of a dispute between the department and the entity regarding a
12 proposed change or the funding for the change, the department and
13 lead entity shall follow the conflict resolution process described
14 by Section 264.191.

15 (d) An agreed-upon change order must be documented in a
16 written amendment to the contract between the department and the
17 entity and executed by both parties.

18 Sec. 264.193. ANNUAL REPORT. The department shall submit
19 an annual report to the legislature that includes:

20 (1) the findings of the independent evaluator under
21 Section 264.189, including any recommendations from the
22 independent evaluator for improving and expanding the pilot
23 program;

24 (2) information about each denied waiver under Section
25 264.190, including the reason for denial; and

26 (3) a detailed account of each agreed-upon change
27 order under Section 264.192 that includes an explanation of:

1 (A) the change and the reason for the change; and
2 (B) the cost of funding the change and how the
3 cost was addressed.

4 Sec. 264.194. RULEMAKING. The department may adopt rules
5 necessary to implement this subchapter.

6 Sec. 264.195. PROGRAM REVIEW; EXPIRATION. (a) Not later
7 than January 1, 2029, the legislature shall review the outcomes and
8 effectiveness of the pilot program to determine whether to extend,
9 modify, or conclude the program.

10 (b) This subchapter expires September 1, 2029.

11 SECTION 2. This Act takes effect September 1, 2025.