

Amend CSHB 2292 by adding the following appropriately numbered sections:

SECTION _____. Section 533.035, Health and Safety Code, is amended by amending Subsection (c) and by adding Subsections (e), (f), and (g) to read as follows:

(c) A local mental health and mental retardation authority, with the department's approval, shall use the funds received under Subsection (b) to ensure mental health, mental retardation, and chemical dependency services are provided in the local service area. The local authority shall consider public input, ultimate cost-benefit, and client care issues to ensure consumer choice and the best use of public money in:

(1) assembling a network of service providers; and

(2) ~~[determining whether to become a provider of a service or to contract that service to another organization; and~~

~~[(3)]~~ making recommendations relating to the most appropriate and available treatment alternatives for individuals in need of mental health or mental retardation services.

(e) In assembling a network of service providers, a local mental health and mental retardation authority may serve as a provider of services only as a provider of last resort and only if the authority demonstrates to the department that:

(1) the authority has made every reasonable attempt to solicit the development of an available and appropriate provider base that is sufficient to meet the needs of consumers in its service area; and

(2) there is not a willing provider of the relevant services in the authority's service area or in the county where the provision of the services is needed.

(f) The department shall review the appropriateness of a local mental health and mental retardation authority's status as a service provider at least annually.

(g) The department, together with local mental health and mental retardation authorities and other interested persons, shall develop and implement a plan to privatize all services by intermediate facilities for persons with mental retardation and all related waiver services programs operated by an authority. The

transfer of services to private providers must occur on or before August 31, 2004. The plan must provide criteria that:

(1) promote the transition of services to private providers in a manner that causes the least disruption practicable to the consumers of those services;

(2) ensure the continuation of services at the same level of service provided before the transfer;

(3) provide for consumer choice as appropriate and as required by rule; and

(4) require local mental health and mental retardation authorities to implement the privatization of services in a fiscally responsible manner.

SECTION _____. Section 534.001(b), Health and Safety Code, is amended to read as follows:

(b) In accordance with this subtitle, a [A] community center may be:

(1) a community mental health center that provides mental health services;

(2) a community mental retardation center that provides mental retardation services; or

(3) a community mental health and mental retardation center that provides mental health and mental retardation services.

SECTION _____. Section 535.002(b), Health and Safety Code, is amended to read as follows:

(b) If feasible and economical, the department may use local mental health and mental retardation authorities to implement this chapter. However, the department may not designate a a [~~those~~] local mental health or [~~and~~] mental retardation authority [~~authorities~~] as a provider [~~the sole providers~~] of services if other providers are available.