

Amend CSSB 1952 by inserting the following new SECTIONS, appropriately numbered, and renumbering the other SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.017 to read as follows:

Sec. 531.017. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES; REVIEW BY ATTORNEY GENERAL. (a) This section applies to any contract with a contract amount of \$50 million or more:

(1) under which a person provides goods or services in connection with the provision of medical or health care services, coverage, or benefits; and

(2) entered into by the person and:

(A) the commission;

(B) a health and human services agency; or

(C) any other state agency under the jurisdiction of the commission.

(b) Notwithstanding any other law, before a contract described by Subsection (a) may be entered into by the agency, a representative of the office of the attorney general shall review the form and terms of the contract and may make recommendations to the agency for changes to the contract. The office of the attorney general shall report any recommendations made under this subsection to the governor, the lieutenant governor, and the speaker of the house of representatives.

(c) An agency described by Subsection (a)(2) must notify the office of the attorney general at the time the agency is initiating the applicable competitive bidding or other applicable contracting process. A representative of the office of the attorney general may participate in negotiations or discussions with proposed contractors and may be physically present during those negotiations or discussions.

(d) If the office of the attorney general makes recommendations for changes to a proposed contract under Subsection (b), the office shall report those recommendations to the Commission for State Health Expenditures.

SECTION _____. Subchapter A, Chapter 811, Government Code, is amended by adding Section 811.007 to read as follows:

Sec. 811.007. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES;
REVIEW BY ATTORNEY GENERAL. (a) This section applies to any
contract with a contract amount of \$50 million or more:

(1) under which a person provides goods or services in
connection with the provision of medical or health care services,
coverage, or benefits; and

(2) entered into by the person and the retirement
system.

(b) Notwithstanding any other law, before a contract
described by Subsection (a) may be entered into by the retirement
system, a representative of the office of the attorney general
shall review the form and terms of the contract and may make
recommendations to the retirement system for changes to the
contract. The office of the attorney general shall report any
recommendations made under this subsection to the governor, the
lieutenant governor, and the speaker of the house of
representatives.

(c) The retirement system must notify the office of the
attorney general at the time the system is initiating the
applicable competitive bidding or other applicable contracting
process. A representative of the office of the attorney general may
participate in negotiations or discussions with proposed
contractors and may be physically present during those negotiations
or discussions.

(d) If the office of the attorney general makes
recommendations for changes to a proposed contract under Subsection
(b), the office shall report those recommendations to the
Commission for State Health Expenditures.

SECTION _____. Subchapter A, Chapter 821, Government Code,
is amended by adding Section 821.009 to read as follows:

Sec. 821.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES;
REVIEW BY ATTORNEY GENERAL. (a) This section applies to any
contract with a contract amount of \$50 million or more:

(1) under which a person provides goods or services in
connection with the provision of medical or health care services,
coverage, or benefits; and

(2) entered into by the person and the retirement

system.

(b) Notwithstanding any other law, before a contract described by Subsection (a) may be entered into by the retirement system, a representative of the office of the attorney general shall review the form and terms of the contract and may make recommendations to the retirement system for changes to the contract. The office of the attorney general shall report any recommendations made under this subsection to the governor, the lieutenant governor, and the speaker of the house of representatives.

(c) The retirement system must notify the office of the attorney general at the time the system is initiating the applicable competitive bidding or other applicable contracting process. A representative of the office of the attorney general may participate in negotiations or discussions with proposed contractors and may be physically present during those negotiations or discussions.

(d) If the office of the attorney general makes recommendations for changes to a proposed contract under Subsection (b), the office shall report those recommendations to the Commission for State Health Expenditures.

SECTION _____. Sections 531.017(d), 811.007(d), and 821.009(d), Government Code, as added by this Act, take effect only if **HB 3181**, Acts of the 78th Legislature, Regular Session, 2003, or another Act of the 78th Legislature, Regular Session, 2003, establishing the Commission for State Health Expenditures becomes law. If **HB 3181**, Acts of the 78th Legislature, Regular Session, 2003, or another Act of the 78th Legislature, Regular Session, 2003, establishing the Commission for State Health Expenditures does not become law, Sections 531.017(d), 811.007(d), and 821.009(d), Government Code, as added by this Act, have no effect.

SECTION _____. Sections 531.017, 811.007, and 821.009, Government Code, as added by this Act, apply only to a contract described by those sections that is entered into on or after September 1, 2003.