

## **BILL ANALYSIS**

C.S.H.B. 727

By: Delisi

State Health Care Expenditures, Select  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, recipients of medical assistance who have a chronic disease and who are not eligible to receive services under a Medicaid managed care plan do not have adequate assistance to monitor and manage their illness. C.S.H.B. 727 requires the Health and Human Services Commission to request contract proposals from providers of disease management programs to provide program services to recipients of medical assistance who have a chronic health condition and who is not eligible to receive services under a Medicaid managed care plan. In addition, this bill requires the commission to conduct a study to analyze the potential for state savings through the use of disease management programs for recipients of medical assistance under Section 32.059, Human Resources Code.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Health and Human Services Commission in SECTION 1 (Section 32.059, Human Resources Code) of this bill.

### **ANALYSIS**

C.S.H.B 727 amends the Human Resources Code by adding Section 32.059 to require the Health and Human Services Commission (HHSC) to request contract proposals for from providers of disease management programs to provide program services to recipients of medical assistance who have a chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, that the department determines is a disease condition that needs management and are not eligible to receive those services under a Medicaid managed care plan. In addition, this bill gives HHSC the authority to contract with a public or private entity to write the requests for proposals, determine how savings will be measured, identify populations that need disease management, and develop appropriate contracts.

C.S.H.B 727 grants HHSC the authority to prescribe the minimum requirements that disease management providers must meet to be eligible to receive a contract, and requires that any contract awarded to a disease management provider must include a written guarantee of savings to the state. In addition the disease management provider is required to use disease management approaches that are based on evidence based supported models, minimum standards of care and clinical outcomes, and ensure that a patients primary care or specialty physician is involved in the patients disease management program.

Finally, C.S.H.B 727 requires that the Health and Human Services Commission conduct a study to analyze the potential state savings through the implementation and use of disease management programs for recipients of medical assistance. Specifically, the HHSC must identify the diseases and chronic health conditions that result in the highest medical assistance expenditures in the state, as well as, show the greatest potential for state savings on implementation of disease management programs. The commission is directed to consider the results of this study when requesting contract proposals under Section 32.059, Human Resources Code.

### **EFFECTIVE DATE**

On passage, or if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B 727 removes the requirement that HHSC request proposals to provide disease management services for pregnant women and children residing in the Rio Grande Valley who are recipients of medical assistance, receive treatment for asthma-related health conditions and are not eligible to receive those services under a Medicaid managed care plan.

The substitute authorizes HHSC to contract with a public or private entity to write the requests for proposals, determine how savings will be measured, identify populations that need disease management, and develop appropriate contracts.

In SECTION 1(c) the substitute establishes minimum requirements that the department must meet for contracting.

C.S.H.B 727 adds language to require that HHSC report its findings to the governor, lieutenant governor and speaker of the house of representatives and the committees of the senate and house of representatives with the responsibility of oversight of health and human service issues”.