

BILL ANALYSIS

C.S.H.B. 1735

By: Delisi

State Health Care Expenditures, Select
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The largest consumer of health care are people with chronic health care conditions. C.S.H.B. 1735 requires the Health and Human Services Commission, the Teacher Retirement System, the Employee Retirement System, the Texas Criminal Justice System, and the University of Texas and Texas A&M health systems to ensure that the managed care plans that are offered include disease management programs for people with chronic illness such as, heart disease, respiratory illness, diabetes, asthma, HIV or AIDS. The agency and institutions are to study the outcomes and utilization rates as a result of implementation of disease management programs.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1 amends Chapter 62, Health and Safety Code, by adding Section 62.159 as follows:

Section 62.159: (a) Defines disease management services as services to assist a child manage a chronic health condition such as heart disease, respiratory illness, diabetes, end-stage renal disease, HIV infection or AIDS, and allows the commission to identify which populations that would benefit from disease management that would be cost-effective. (b) Requires the child health plan provide disease management services in the manner required by the commission and identifies the minimum requirements for disease management programs that are offered. (c) Requires the Health and Human Services Commission to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the commission to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 2 amends Chapter 3, Insurance Code, by adding Article 3.50-7 as follows:

Section 62.159: (a) Defines disease management services as services to assist an individual manage a chronic health condition such as heart disease, respiratory illness, diabetes, end-stage renal disease, HIV infection or AIDS and requires the Teacher Retirement System to identify populations requiring disease management. (b) Requires the health coverage plan provide disease management services in the manner required by the Teacher Retirement System of Texas and identifies the minimum requirements for disease management programs that are offered. (c) Requires the Teacher Retirement System of Texas to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the Teacher Retirement System of Texas to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 3 amends Chapter 1551, Insurance Code, by adding 1551.219 as follows:

Section 1551.219: (a) Defines disease management services as services to assist an individual manage a

chronic health condition such as heart disease, respiratory illness, diabetes, end-stage renal disease, HIV infection or AIDS and requires the board of trustees to identify populations requiring disease management. (b) Requires the group health benefit plan provide disease management services in the manner required by the board of trustees and identifies the minimum requirements for disease management programs that are offered. (c) Requires the board of trustees to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the board of trustees to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 4 amends Chapter 1575, Insurance Code, by adding Section 1575.162 as follows:

Section 1573.162: (a) Defines disease management services as services to assist an individual manage a chronic health condition such as heart disease, respiratory illness, diabetes, end-stage renal disease, HIV infection or AIDS and requires the Teacher Retirement System of Texas to identify populations requiring disease management. (b) Requires the health benefit plan provide disease management services in the manner required by the Teacher Retirement System of Texas and identifies the minimum requirements for disease management programs that are offered. (c) Requires the Teacher Retirement System of Texas to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the Teacher Retirement System of Texas to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 5 amends Chapter 1601, Insurance Code, by adding Section 1601.110 as follows:

Section 1601.110: (a) Defines disease management services as services to assist an individual manage a chronic health condition such as heart disease, respiratory illness, diabetes, end-stage renal disease, HIV infection or AIDS and requires the governing board of a system to identify populations requiring disease management. (b) Requires the health benefit plan provide disease management services in the manner required by the governing board of a system and identifies the minimum requirements for disease management programs that are offered. (c) Requires the governing board of a system to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the governing board of a system to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 6 amends Chapter 501, Government Code, by adding Section 501.149 as follows:

Section 501.149: (a) Defines disease management services as services to assist a person manage a chronic health condition such as heart disease, respiratory illness, diabetes, end-stage renal disease, HIV infection or AIDS and requires the committee to identify populations requiring disease management. (b) Requires a managed health care plan provide disease management services in the manner required by the committee and identifies the minimum requirements for disease management programs that are offered. (c) Requires the committee to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the committee to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 7 amends Section 533.009, Government Code by amending sections (a) and (b), and adding section (d) and (e) as follows:

Section 533.009: (a) Requires the Health and Human Services Commission to ensure that managed care organizations provide disease management programs for chronic health conditions such as heart disease, respiratory illness, including asthma, diabetes, end-stage renal disease, HIV infection or AIDS and allows the commission to identify which populations that would benefit from disease management that would be cost-effective. (b) Is added and requires the managed health plan provide disease management services

in the manner required by the commission and identifies the minimum requirements for disease management programs that are offered. (c) Requires the Health and Human Services Commission to study and report to the governor, lieutenant governor and speaker of the house of representatives the cost savings to the state and the clinical outcomes of patients enrolled in disease management programs. The section requires a progress report on December 1, 2004 and the final report on December 1, 2005. (d) Allows the commission to conduct the study in conjunction with an academic center. (e) The requirements of sections (c) and (d) expire January 1, 2006.

Section 8 requires that each state agency shall provide disease management services or coverage for disease management services in accordance with this Act as soon as practicable after the effective date of this Act, but not later than January 1, 2004.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members of each house, as provided by Section 39, Article III, Texas Constitution. If the Act does not receive the necessary vote for immediate effect, this Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute adds language in SECTIONS 1 through SECTIONS 6: that allows the commission and other agencies to identify appropriate populations for disease management.

The substitute adds language in SECTIONS 1 through 6 specifying the minimum requirements for disease management programs provided.

The substitute adds language in SECTIONS 1 through 6 specifically directing the commission and other agencies to study the cost-savings to the state and the clinical outcomes of patients enrolled in disease management programs, and directs the commission and agencies to provide a progress report of the study and the final study to the Legislature and governor by December 1, 2005. (c)1, 2, 3 were completely removed in SECTIONS 1 through 7.

The substitute adds an expiration date in SECTIONS 1 through 6: (e) states that subsections (c), (d), and (e) will expire January 1, 2006.

In SECTION 7(a) changes the definition of disease management services to conform with SECTIONS 1 through 6.

Adds subsection (b) in SECTION 7 that identifies minimum requirements for a disease management program as in previous sections.

The substitute adds language that the commission shall study the cost-savings to the state and the clinical outcomes of patients enrolled in disease management, and requiring the commission complete a progress report of the study and its final report to the Legislature and governor.

The substitute changes SECTION 7: Subsection (c) is renumber to Subsection (d), and adds Subsection (e). Subsection (e) states that subsections (c), (d), and (e) will expire January 1, 2006.