

By: Delisi

H.B. No. 727

Substitute the following for H.B. No. 727:

By: Gutierrez

C.S.H.B. No. 727

A BILL TO BE ENTITLED

AN ACT

relating to disease management programs for certain Medicaid recipients.

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

SECTION 1. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.059 to read as follows:

Sec. 32.059. CONTRACTS FOR DISEASE MANAGEMENT PROGRAMS. (a) The department shall request contract proposals from providers of disease management programs to provide program services to recipients of medical assistance who:

(1) have a disease or other 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 or condition that needs disease management; and

(2) are not eligible to receive those services under a Medicaid managed care plan.

(b) The department may contract with a public or private entity to:

(1) write the requests for proposals;  
(2) determine how savings will be measured;  
(3) identify populations that need disease management;

(4) develop appropriate contracts; and

1           (5) assist the department in:

2                   (A) developing the content of disease management  
3 programs; and

4                   (B) obtaining funding for those programs.

5           (c) The department, by rule, shall prescribe the minimum  
6 requirements a provider of a disease management program must meet  
7 to be eligible to receive a contract under this section. The  
8 provider must, at a minimum, be required to:

9                   (1) use disease management approaches that are based  
10 on evidence-supported models, minimum standards of care, and  
11 clinical outcomes; and

12                  (2) ensure that a recipient's primary care physician  
13 and other appropriate specialty physicians become directly  
14 involved in the disease management program through which the  
15 recipient receives services.

16           (d) The department may not award a contract for a disease  
17 management program under this section unless the contract includes  
18 a written guarantee of state savings on expenditures for the group  
19 of medical assistance recipients covered by the program.

20           SECTION 2. (a) The Health and Human Services Commission  
21 shall conduct a study to analyze the potential for state savings  
22 through the use of disease management programs for recipients of  
23 medical assistance under Section 32.059, Human Resources Code, as  
24 added by this Act. The study must identify the diseases and chronic  
25 health conditions that:

26                  (1) result in the highest medical assistance  
27 expenditures by this state; and

1           (2) show the greatest potential for state savings on  
2 implementation of disease management programs.

3           (b) The commission shall consider the results of the study  
4 when requesting contract proposals under Section 32.059, Human  
5 Resources Code, as added by this Act.

6           (c) The commission may contract with a private entity to  
7 conduct a study and produce a report under this section.

8           (d) Not later than December 31, 2003, the commission shall  
9 complete the study required by this section and provide a report of  
10 its findings to the governor, the lieutenant governor, the speaker  
11 of the house of representatives, and the standing committees of the  
12 senate and house of representatives having jurisdiction over health  
13 and human services issues.

14          SECTION 3. If before implementing any provision of this Act  
15 a state agency determines that a waiver or authorization from a  
16 federal agency is necessary for implementation of that provision,  
17 the agency affected by the provision shall request the waiver or  
18 authorization and may delay implementing that provision until the  
19 waiver or authorization is granted.

20          SECTION 4. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2003.