

By: Delisi, Capelo, et al. (Senate Sponsor - Janek) H.B. No. 727
(In the Senate - Received from the House April 14, 2003;
April 15, 2003, read first time and referred to Committee on Health
and Human Services; May 21, 2003, reported adversely, with
favorable Committee Substitute by the following vote: Yeas 7,
Nays 0; May 21, 2003, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 727

By: Janek

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, hemophilia, 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

(5) assist the department in:
(A) developing the content of disease management
programs; and

(B) obtaining funding for those programs.

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

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

(2) ensure that a recipient's primary care physician
and other appropriate specialty physicians, or registered nurses,
advanced practice nurses, or physician assistants specified and
directed or supervised in accordance with applicable law by the
recipient's primary care physician or other appropriate specialty
physicians, become directly involved in the disease management
program through which the recipient receives services.

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

(e) The department may enter into a contract under this
section with a comprehensive hemophilia diagnostic treatment
center that receives funding through a maternal and child health
services block grant under Section 501(a)(2), Social Security Act
(42 U.S.C. Section 701).

(f) Directly or through a provider of a disease management
program that enters into a contract with the department under this
section, the department shall, as appropriate and to the extent
possible without cost to the state:

(1) identify recipients of medical assistance under this chapter or, at the discretion of the department, enrollees in the child health plan under Chapter 62, Health and Safety Code, who are eligible to participate in federally funded disease management research programs operated by research-based disease management providers; and

(2) assist and refer eligible persons identified by the department under Subdivision (1) to participate in the research programs described by Subdivision (1).

SECTION 2. (a) The Health and Human Services Commission shall 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, as added by this Act. The study must identify the diseases and chronic health conditions that:

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

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

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

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

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

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

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

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