By: Delisi, Capelo, et al. (Senate Sponsor - Janek) H.B. No. 1735 (In the Senate - Received from the House April 3, 2003; April 7, 2003, read first time and referred to Committee on Health and Human Services; May 7, 2003, reported favorably by the following vote: Yeas 7, Nays 0; May 7, 2003, sent to printer.) 1-1 1-2 1-3 1-4 1-5 A BILL TO BE ENTITLED 1-6 1-7 AN ACT 1-8 relating to disease management services under certain state-funded 1-9 or state-administered health plans. 1-10 1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: SECTION 1. Subchapter D, Chapter 62, Health and Safety Code, is amended by adding Section 62.159 to read as follows: 1-12 Sec. 62.159. DISEASE MANAGEMENT SERVICES. (a) In this n, "disease management services" means services to assist a 1-13 sect<u>ion,</u> 1-14 1**-**15 1**-**16 child manage a disease or other chronic health condition, such as

disease, diabetes, respiratory illness, end-stage renal heart disease, HIV infection, or AIDS, and with respect to which the commission identifies populations for which disease management would be cost-effective.

(b) The child health plan must provide disease management services or coverage for disease management services in the manner required by the commission, including:

(1) patient self-management education;

provider education; (2)

evidence-based models and minimum standards of

care;

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standardized protocols (4)and participation criteria; and

(5) physician-directed or physician-supervised care. (c) The commission shall conduct a study that evaluates the savings to the state as a result of implementation of the comprehensive disease management programs described by Subsections (a) and (b). The commission shall evaluate the clinical outcomes of children enrolled in a disease management program. The commission shall report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005.

(d) The commission may conduct the study under Subsection

(c) in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection expire Januar y 1, 2006.

SECTION 2. Subchapter E, Chapter 3, Insurance Code, is amended by adding Article 3.50-7B to read as follows:

Art. 3.50-7B. DISEASE MANAGEMENT SERVICES. (2)
e, "disease management services" means services to assist an article, individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the Retirement System of Texas identifies Teacher populations requiring disease management.

(b) A health coverage plan provided under Article 3.50-7 of this code must provide disease management services or coverage for disease management services in the manner required by the Teacher Retirement System of Texas, including:
(1) patient self-management education;

(2) provider education;

(3) evidence-based models and minimum standards of

1-59 care; 1-60

(4)standardized protocols and participation criteria; and

(5) physician-directed or physician-supervised care. (c) The Teacher Retirement System of Texas shall conduct a study that evaluates the savings to the state as a result of

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implementation of the comprehensive disease management programs described by Subsections (a) and (b). The commission shall evaluate the clinical outcomes of participants enrolled in a disease management program. The system shall report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005.

The Teacher Retirement System of Texas may conduct study under Subsection (c) of this article in conjunction with an

academic center.

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2-68 2-69 (e) Subsections (c) and (d) of this article and this subsection expire January 1, 2006.

SECTION 3. Subchapter E, Chapter 1551, Insurance Code, as effective June 1, 2003, is amended by adding Section 1551.219 to read as follows:

<u>Sec.</u> 1551.219. DISEASE MANAGEMENT SERVICES. section, "disease management services" means services to assist an individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the board of trustees identifies populations requiring disease management.

(b) A group health benefit plan offered under the group benefits program must provide disease management services or coverage for disease management services in the manner required by

the board of trustees, including:

(1) patient self-management education;

(2) provider education;

(3) evidence-based models and minimum standards of

care;

(4) standardized protocols participation and criteria; and

(5) physician-directed or physician-supervised care. The board of trustees shall conduct a study that evaluates the savings to the state as a result of implementation of the comprehensive disease management programs described by Subsections (a) and (b). The board of trustees shall evaluate the clinical outcomes of participants enrolled in a disease management program. The board of trustees shall report the progress of the study to the governor, lieutenant governor, and speaker of house of representatives not later than December 1, 2004, and final results of the study not later than December 1, 2005. the the

(d) The board of trustees may conduct the study under

Subsection (c) in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection expire y 1, 2006. January 1 y 1, 2006. SECTION 4.

Subchapter D, Chapter 1575, Insurance Code, as effective June 1, 2003, is amended by adding Section 1575.162 to read as follows:

Sec. 1<u>57</u>5.162. DISEASE MANAGEMENT SERVICES. In this (a) "disease management services" means services to assist an individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the Teacher Retirement System of Texas identifies populations requiring disease management.
(b) A health benefit plan provided under this chapter must

provide ____ disease management services or coverage for disease management services in the manner required by the Teacher

Retirement System of Texas, including:

patient self-management education;

provider education; (2)

(3) evidence-based models and minimum standards of

care;

(4) standardized protocols and participation criteria; and

(5) physician-directed or physician-supervised care The Teacher Retirement System of Texas shall conduct a study that evaluates the savings to the state as a result of implementation of the comprehensive disease management programs

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described by Subsections (a) and (b). The Teacher Retirement System of Texas shall evaluate the clinical outcomes of participants enrolled in a disease management program. The Teacher Retirement System of Texas shall report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005.

(d) The Teacher Retirement System of Texas may conduct the

study under Subsection (c) in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection expire 2006. January 1,

SECTION 5. Subchapter C, Chapter 1601, Insurance Code, as effective June 1, 2003, is amended by adding Section 1601.110 to read as follows:

Sec. 1601.110. DISEASE MANAGEMENT SERVICES. (a) In this n, "disease management services" means services to assist an section, individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the governing board of a system identifies populations requiring disease management.

(b) A health benefit plan provided under this chapter must provide disease management services or coverage for disease management services in the manner required by the governing board

of a system, including:
(1) patien

patient self-management education;

(2) provider education;

(3) evidence-based models and minimum standards of

care;

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(4) standardized participation protocols and criteria; and (5)

physician-directed or physician-supervised care. The governing board of each system shall conduct a study that evaluates the savings to the state as a result of implementation of comprehensive disease management programs as described by Subsections (a) and (b). The governing board of a system shall evaluate the clinical outcomes of participants enrolled in a disease management program. The governing board of a system shall report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005.

(d) The governing board of a system may conduct the study

under Subsection (c) in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection (e) Subse January 1, 2006. expire

SECTION 6. Subchapter E, Chapter 501, Government Code, is amended by adding Section 501.149 to read as follows:

Sec. 501.149. DISEASE MANAGEMENT SERVICES.
on, "disease management services" means services In this (a) means services to assist an individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the committee identifies populations requiring disease management.

(b) A managed health care plan provided under this chapter must provide disease management services in the manner required by

the committee, including:

(1) patient self-management education;

(2) provider education;

evidence-based models and minimum standards of

care;

(4)standardized protocols and participation cr<u>iteria; and</u>

(5) physician-directed or physician-supervised care.

(c) The committee shall conduct a study that evaluates the savings to the state as a result of implementation of comprehensive disease management programs described by Subsections (a) and (b). The committee shall evaluate the clinical outcomes of participants enrolled in a disease management program. The committee shall

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report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005.

The committee may conduct the study under Subsection (c) (d) in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection expire January 1, 2006. SECTION 7.

Section 533.009, Government Code, is amended to read as follows:

Sec. 533.009. SPECIAL DISEASE MANAGEMENT. (a) The commission shall ensure that managed care organizations under contract with the commission to provide health care services to recipients develop and implement special disease management programs to <u>manage a disease or other</u> [<u>address</u>] chronic health conditions, <u>such as heart disease</u>, <u>respiratory illness</u>, including asthma, [<u>and</u>] diabetes, <u>end-stage renal disease</u>, <u>HIV infection</u>, or AIDS, and with respect to which the commission identifies populations for which disease management would be cost-effective [and use outcome measures to assess the programs].

(b) A managed health care plan provided under this chapter must provide disease management services in the manner required by the commission, including:

(1) patient self-management education;

provider education; evidence-based models and minimum standards of (2) (3)

care;

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(4) standardized protocols and participation criteria; and

physician-directed or physician-supervised care (5) The commission shall conduct a study that evaluates the savings to the state as a result of implementation of comprehensive disease management programs described by Subsections (a) and (b). The commission shall evaluate the clinical outcomes of participants enrolled in a disease management program. The commission shall report the progress of the study to the governor, lieutenant governor, and speaker of the house of representatives not later than December 1, 2004, and the final results of the study not later than December 1, 2005[study the benefits and costs of applying disease management principles in the delivery of Medicaid managed care services to recipients with chronic health conditions. In conducting the study, the commission shall evaluate the effectiveness of those principles in:
[(1) reducing long-term health care costs under the

Medicaid managed care program;

[(2) improving patient care, including the coordination of that care; and

[$\frac{(3)}{(c)}$] improving utilization patterns of recipients].

Subsection (c) [(b)] in conjunction with an academic center.

Subsections (c) and (d) and this subsection expire (e) January 1, 2006.

SECTION 8. The state child health plan, each health coverage plan provided under Article 3.50-7, Insurance Code, each health benefit plan provided under Chapter 1551, 1575, or 1601, Insurance Code, the managed health care plan provided under Subchapter E, Chapter 501, Government Code, and a Medicaid managed care plan subject to Chapter 533, Government Code, 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.

SECTION 9. 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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