

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.)

A BILL TO BE ENTITLED
AN ACT

relating to disease management services under certain state-funded
or state-administered health plans.

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:

Sec. 62.159. DISEASE MANAGEMENT SERVICES. (a) In this
section, "disease management services" means services to assist a
child 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
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;
(2) provider education;
(3) evidence-based models and minimum standards of
care;

(4) standardized protocols 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
January 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. (a) In this
article, "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 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
care;

(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

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.

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

(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:

Sec. 1551.219. DISEASE MANAGEMENT SERVICES. (a) In this 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 and participation criteria; and
- (5) physician-directed or physician-supervised care.

(c) 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 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 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 January 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. 1575.162. DISEASE MANAGEMENT SERVICES. (a) In this 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 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:

- (1) patient self-management education;
- (2) provider education;
- (3) evidence-based models and minimum standards of care;
- (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 implementation of the comprehensive disease management programs

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 January 1, 2006.

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 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 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) patient self-management education;
(2) provider education;
(3) evidence-based models and minimum standards of care;

(4) standardized protocols and participation criteria; and

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

(c) 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 expire January 1, 2006.

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. (a) In this 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 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;
(3) evidence-based models and minimum standards of care;

(4) standardized protocols and participation criteria; and

(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

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 committee may conduct the study under Subsection (c) 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 manage a disease or other ~~[address]~~ chronic health conditions, such as heart disease, respiratory illness, including asthma, ~~[and]~~ diabetes, end-stage renal disease, HIV infection, 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;
- (2) provider education;
- (3) evidence-based models and minimum standards of care;
- (4) standardized protocols 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 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~~
- ~~[(3) improving utilization patterns of recipients].~~

(d) ~~[(c)]~~ The commission may conduct the study under Subsection (c) ~~[(b)]~~ in conjunction with an academic center.

(e) Subsections (c) and (d) and this subsection expire 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.

* * * * *