

1-1 By: Janek S.B. No. 327
1-2 (In the Senate - Filed January 29, 2003; February 6, 2003,
1-3 read first time and referred to Committee on Health and Human
1-4 Services; March 6, 2003, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; March 6, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to disease management programs for certain Medicaid
1-9 recipients.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter B, Chapter 32, Human Resources Code,
1-12 is amended by adding Section 32.059 to read as follows:

1-13 Sec. 32.059. CONTRACTS FOR DISEASE MANAGEMENT PROGRAMS.

1-14 (a) The department shall request contract proposals from
1-15 providers of disease management programs to provide program
1-16 services to recipients of medical assistance who:

1-17 (1) have a disease or other chronic health condition,
1-18 such as heart disease, diabetes, respiratory illness, end-stage
1-19 renal disease, HIV infection, or AIDS, that the department
1-20 determines is a disease or condition that needs disease management;
1-21 and

1-22 (2) are not eligible to receive those services under a
1-23 Medicaid managed care plan.

1-24 (b) The department shall specifically request proposals to
1-25 provide disease management program services for pregnant women and
1-26 children residing in the Rio Grande Valley who are recipients of
1-27 medical assistance, receive treatment of asthma-related health
1-28 conditions, and are not eligible to receive those services under a
1-29 Medicaid managed care plan.

1-30 (c) The department may contract with a private entity to:

1-31 (1) write the requests for proposals;

1-32 (2) determine how savings will be measured;

1-33 (3) identify populations that need disease
1-34 management; and

1-35 (4) develop appropriate contracts.

1-36 (d) The department, by rule, shall prescribe the minimum
1-37 requirements a provider of a disease management program must meet
1-38 to be eligible to receive a contract under this section.

1-39 (e) The department may not award a contract for a disease
1-40 management program under this section unless the contract includes
1-41 a written guarantee of state savings on expenditures for the group
1-42 of medical assistance recipients covered by the program.

1-43 SECTION 2. (a) The Health and Human Services Commission
1-44 shall conduct a study to analyze the potential for state savings
1-45 through the use of disease management programs for recipients of
1-46 medical assistance under Section 32.059, Human Resources Code, as
1-47 added by this Act. The study must identify the diseases and chronic
1-48 health conditions that:

1-49 (1) result in the highest medical assistance
1-50 expenditures by this state; and

1-51 (2) show the greatest potential for state savings on
1-52 implementation of disease management programs.

1-53 (b) The Health and Human Services Commission shall consider
1-54 the results of the study when requesting contract proposals under
1-55 Section 32.059, Human Resources Code, as added by this Act.

1-56 (c) The Health and Human Services Commission may contract
1-57 with a private entity to conduct a study and produce a report under
1-58 this section.

1-59 (d) The Health and Human Services Commission shall complete
1-60 the study required by this section not later than December 31, 2003.

1-61 SECTION 3. If before implementing any provision of this Act
1-62 a state agency determines that a waiver or authorization from a
1-63 federal agency is necessary for implementation of that provision,
1-64 the agency affected by the provision shall request the waiver or

2-1 authorization and may delay implementing that provision until the
2-2 waiver or authorization is granted.

2-3 SECTION 4. This Act takes effect September 1, 2003.

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