

BILL ANALYSIS

C.S.H.B. 880
By: Delisi
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The attorney general is frequently asked to perform a review of major health care procurement contracts at state agencies. However, these reviews are often requested at the end of the contracting process where it is more difficult to incorporate suggested changes. It would be more effective if the attorney general assisted at the beginning of the procurement process. CSHB 880 remedies this situation by giving the attorney general the ability to review certain contracts for healthcare purposes.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

CSHB 880 amends Chapter 531 of the Government Code by adding Section 531.018 that allows the attorney general to review certain contracts for health care purposes. It applies to contracts with amounts of \$250 million or more under which a person provides goods and services connected to providing health care services, which the person enters into with the Health and Human Services Commission, a health and human services agency, or another agency under the jurisdiction of the commission. Before the agency enters into this type of contract, someone from the attorney general's office is required to review the contract and is authorized to make recommendations for changes, if they determine that the office of the attorney general has sufficient expertise and resources to provide this service. The agency must notify the attorney general's office when entering the planning phase of the contract, and a representative of the attorney general is authorized to participate in negotiations. If the attorney general determines that the office does not have sufficient expertise or resources, the office is authorized to require the state agency to enter into an interagency agreement or to obtain outside legal services. The agency is required to provide the attorney general with any information the attorney general thinks is necessary to carry out this function.

CSHB 880 also amends Chapter 811 of the Government Code by adding Section 811.009 to give the attorney general the same powers to review contracts entered into by a person and the Employees Retirement System of Texas. The bill also amends Chapter 821 of the Government Code by adding Section 821.009 to give the same powers in connection with contracts including a person and the Teacher Retirement System of Texas. This bill applies only to contracts entered into on or after November 1, 2005.

EFFECTIVE DATE

This Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 880 modifies the original by changing the contract amount from \$50 to \$250 million. It also changes attorney general review to apply only when the attorney general determines that the office has sufficient subject matter expertise and resources available to provide the service. The substitute eliminates the section that allows the attorney general to provide or recommend training for agency employees in contracting issues, and adds that state agencies are required to provide the attorney general with any information that might be necessary to administer this section.