

By: Davis of Harris

H.B. No. 470

A BILL TO BE ENTITLED

AN ACT

relating to local delivery of aging, disability, behavioral health,  
and mental retardation services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 531, Government Code, is amended by  
adding Subchapter M to read as follows:

SUBCHAPTER M. SERVICE DELIVERY THROUGH LOCAL SERVICE AUTHORITIES

BY REGION

Sec. 531.451. RELATION TO OTHER LAW. This subchapter  
prevails over any other law related to the regulation or delivery of  
services by health and human services agencies to the extent that  
the other law is in conflict or inconsistent with this subchapter.

Sec. 531.452. DEFINITIONS. (a) In this subchapter:

(1) "Aging and disabled services" includes:

(A) aging services;

(B) mental retardation services;

(C) community care services for elderly persons  
or persons with disabilities; and

(D) nursing home services.

(2) "Behavioral health services" includes mental  
health services and chemical dependency services.

(3) "Chemical dependency" has the meaning assigned by  
Section 461.002, Health and Safety Code.

(4) "Local service authority" means a local aging and

1 disabled authority or a local behavioral health authority.

2 (5) "Mental health services" has the meaning assigned  
3 by Section 531.002, Health and Safety Code.

4 (6) "Mental retardation services" has the meaning  
5 assigned by Section 531.002, Health and Safety Code.

6 (b) A reference in other law to a "local mental health  
7 authority" means a "local behavioral health authority."

8 (c) A reference in other law to a "local mental retardation  
9 authority" means a "local aging and disabled authority."

10 (d) A reference in other law to the Texas Department of  
11 Mental Health and Mental Retardation means:

12 (1) the executive commissioner when used in relation  
13 to the authority to adopt rules or make policy regarding mental  
14 health services or mental retardation services;

15 (2) the Department of State Health Services when used  
16 in relation to the authority to administer mental health services;  
17 and

18 (3) the Department of Aging and Disability Services  
19 when used in relation to the authority to administer mental  
20 retardation services.

21 Sec. 531.453. DELIVERY SYSTEM FOR AGING, DISABILITY, AND  
22 BEHAVIORAL HEALTH SERVICES. (a) In accordance with this  
23 subchapter, the executive commissioner shall establish a system for  
24 aging and disabled services and behavioral health services to be  
25 coordinated by local service authorities, with each local service  
26 authority having jurisdiction over a local service region and  
27 coordinating the provision of services under contract with the

1 Department of Aging and Disability Services or the Department of  
2 State Health Services.

3 (b) The executive commissioner shall develop and adopt  
4 policies and rules governing the assessment and eligibility for and  
5 the provision of services in local service regions. Rules adopted  
6 under this subsection must:

7 (1) address the procedures, methods, and criteria for  
8 the Department of Aging and Disability Services or the Department  
9 of State Health Services to place a local service authority in  
10 receivership for mismanagement or poor performance; and

11 (2) establish comprehensive contract management  
12 practices and principles to ensure that:

13 (A) the service delivery systems are both  
14 effective and financially accountable at the local service region  
15 level;

16 (B) barriers in the application for and delivery  
17 of local services are eliminated to the greatest extent  
18 practicable; and

19 (C) contract management by each department and  
20 local service authority is effective.

21 (c) The executive commissioner shall ensure that a local  
22 service authority conducts its assessments of a potential client's  
23 financial eligibility for services according to the commission's  
24 eligibility system.

25 (d) The commission shall coordinate Medicaid services  
26 provided through the service provider resources of local service  
27 authorities.

1       Sec. 531.454. ROLE OF DEPARTMENT OF AGING AND DISABILITY  
2 SERVICES. (a) The Department of Aging and Disability Services, in  
3 conjunction with the commission, is responsible for ensuring the  
4 provision of aging and disabled services and for coordinating the  
5 provision of those services locally.

6       (b) The department shall manage contracts with local aging  
7 and disabled authorities for ensuring the provision of local  
8 services.

9       (c) The department in coordination with the commission may  
10 determine financing options for payment of costs of services to be  
11 provided locally and for reimbursement of local service providers.

12       (d) The department is responsible for approving:

13           (1) the creation and operations of local aging and  
14 disabled authorities in their respective local service regions; and

15           (2) the local service delivery plan for each local  
16 service region.

17       (e) The department shall ensure that contracts involving  
18 aging services comply with requirements of the federal Older  
19 Americans Act of 1965 (42 U.S.C. Section 3001 et seq.).

20       (f) The department shall ensure that the local service  
21 delivery systems are in accord with the "Enterprise" vision and  
22 mission of the commission to:

23           (1) ensure a comprehensive and cost-effective service  
24 delivery system that is easily accessed and aimed at developing and  
25 improving service options responsive to individual needs and  
26 preferences;

27           (2) promote individual well-being, dignity, and

1 choice;

2 (3) work in partnership with consumers, caregivers,  
3 service providers, and local stakeholders; and

4 (4) ensure and protect consumers' self-determination,  
5 rights, and safety.

6 Sec. 531.455. ROLE OF DEPARTMENT OF STATE HEALTH SERVICES.

7 (a) The Department of State Health Services, in conjunction with  
8 the commission, is responsible for ensuring the provision of  
9 behavioral health services and for coordinating the provision of  
10 those services locally.

11 (b) The department shall manage contracts with local  
12 behavioral health authorities for ensuring the provision of local  
13 services.

14 (c) The department in coordination with the commission may  
15 determine financing options for payment of costs of services to be  
16 provided locally and for reimbursement of local service providers.

17 (d) The department is responsible for approving:

18 (1) the creation and operations of local behavioral  
19 health authorities in their respective local service regions; and

20 (2) the local service delivery plan for each local  
21 service region.

22 (e) The Department of State Health Services shall ensure  
23 that local behavioral health service delivery systems further the  
24 following goals:

25 (1) making the behavioral health care system one that  
26 is family-driven and consumer-driven by:

27 (A) developing individualized plans of care for

1 every adult with a serious mental illness or a substance abuse  
2 problem and for every child with a serious emotional disturbance or  
3 a substance abuse problem;

4 (B) involving consumers and families fully in  
5 orienting the behavioral health system toward recovery; and

6 (C) protecting and enhancing the rights of people  
7 with mental illness or substance abuse problems;

8 (2) eliminating disparities in behavioral health  
9 services by:

10 (A) improving access to culturally competent  
11 quality care; and

12 (B) improving access to quality care in rural and  
13 remote areas; and

14 (3) making early behavioral health screening,  
15 assessment, and referral to services a common practice by:

16 (A) promoting the behavioral health of young  
17 children;

18 (B) improving public school system behavioral  
19 health programs; and

20 (C) screening for co-occurring mental and  
21 substance abuse disorders and treating persons with integrated  
22 treatment strategies.

23 Sec. 531.456. LOCAL SERVICE REGIONS. (a) The executive  
24 commissioner shall establish local service regions for delivery of  
25 services by local service delivery systems coordinated by local  
26 behavioral health authorities and local service regions for  
27 delivery of services by local service delivery systems coordinated

1 by local aging and disabled authorities. Local service regions for  
2 behavioral health authorities must be the same as those for local  
3 service regions for aging and disabled authorities.

4 (b) In developing the local service regions, the executive  
5 commissioner shall:

6 (1) ensure that each local service region includes  
7 communities with common or similar needs for relevant services;

8 (2) consider the services referral and delivery  
9 systems available for use in the proposed local service regions;  
10 and

11 (3) design the local service regions so that:

12 (A) each county in this state is included in a  
13 region; and

14 (B) each region includes:

15 (i) only adjacent counties; and

16 (ii) more than one county.

17 (c) The executive commissioner may revise the local service  
18 regions in response to changing needs or information. Before  
19 revising the regions, the executive commissioner must give public  
20 notice and an opportunity for comment in accordance with rules  
21 adopted by the executive commissioner. The rules governing notice  
22 and comment must be designed to allow the public, local service  
23 authorities, representatives of communities, and interested  
24 persons and organizations to appeal or comment on any community's  
25 inclusion in or exclusion from a local service region and to allow  
26 those persons, representatives, and organizations to comment on the  
27 inclusion in or exclusion from a local service region of any

1 resource available for service referral or delivery.

2 Sec. 531.457. ROLES AND DUTIES OF LOCAL SERVICE  
3 AUTHORITIES. (a) A local service authority, as a contractor of the  
4 Department of Aging and Disability Services or the Department of  
5 State Health Services, shall:

6 (1) provide for public access to the intake and  
7 assessment process for aging, disability, or behavioral health  
8 services needs and for those appropriate activities delegated  
9 locally by the state as they relate to eligibility for services; and

10 (2) provide for the development of service delivery  
11 plans for eligible clients of the authority.

12 (b) A local service authority may not provide services  
13 directly. A local service authority shall ensure the development  
14 and maintenance of:

15 (1) a network of providers of services for the  
16 authority's local service region; and

17 (2) other needed resources to support the delivery of  
18 services in the authority's local service region.

19 (c) A local service authority shall endeavor to improve the  
20 capacities of the communities by fostering partnerships among  
21 service providers and other resources and shall raise community  
22 awareness of the available services and service needs of the local  
23 service region.

24 (d) A local service authority shall provide for local  
25 service delivery planning and shall ensure that interested local  
26 persons, providers, and organizations are encouraged to comment on  
27 planning issues and participate in planning. A local service



1 authority shall define the local service region's service delivery  
2 goals and priorities in the local service delivery plan. The local  
3 service authority may not implement a local service delivery plan  
4 until the plan is approved by the department that contracts with the  
5 local service authority. The local service delivery plan must be  
6 designed to:

7 (1) ensure access to various kinds of available  
8 services through a single entity with coordinated service access  
9 points; and

10 (2) maximize the receipt of federal matching money  
11 available for services by using different and advantageous service  
12 delivery models and facilities.

13 (e) A local service authority shall have a continuing  
14 quality assurance and quality improvement program to ensure that  
15 services delivered are adequate and appropriate.

16 (f) A local service authority shall have an ombudsman  
17 program to assist clients of the region and other interested  
18 persons in resolving complaints and in making appeals regarding  
19 eligibility or regarding services delivered or denied.

20 (g) A local service authority is responsible for  
21 coordinating the use of facilities and services.

22 Sec. 531.458. COMPOSITION OF BOARDS OF DIRECTORS OF LOCAL  
23 SERVICE AUTHORITIES. (a) The chief elected officials of each local  
24 service region for aging and disabled services shall appoint the  
25 board of directors of the region's local aging and disabled  
26 authority and the chief elected officials of each local service  
27 region for behavioral health services shall appoint the board of

1 directors of the region's local behavioral health authority. The  
2 composition of the board of directors for a local service authority  
3 must reflect the ethnic and geographic diversity of the authority's  
4 local service region.

5 (b) The board of directors for a local aging and disabled  
6 authority should include as members:

7 (1) an elderly resident of the region;

8 (2) a consumer of services for the person's  
9 disability;

10 (3) a person with mental retardation; and

11 (4) members of the general public.

12 (c) The board of directors for a local behavioral health  
13 authority should include as members:

14 (1) an adult with a mental illness;

15 (2) a parent of a child with a serious emotional  
16 disturbance;

17 (3) a person with a substance abuse problem;

18 (4) a person with, or a person advocating for a person  
19 with, co-occurring behavioral health disorders; and

20 (5) members of the general public.

21 Sec. 531.459. SERVICE COORDINATION BY LOCAL AGING AND  
22 DISABLED AUTHORITIES. (a) A local aging and disabled authority  
23 shall coordinate services for persons in the authority's local  
24 service region and shall provide assistance to persons seeking  
25 services for themselves or for others in accessing appropriate  
26 information, treatment resources, and supports to assist a person  
27 to achieve a level of independence, quality of life, and

1 participation in the community that is acceptable to the person and  
2 the person's legally authorized representative, family member, or  
3 caregiver.

4 (b) The Department of Aging and Disability Services shall  
5 ensure that an aging and disabled authority's service delivery  
6 system is designed to:

7 (1) create a support system for a family that chooses  
8 to keep a family member who is aging or who has a disability at the  
9 family's home;

10 (2) ensure a continuum of care for all persons with  
11 disabilities;

12 (3) make preparations in consideration of the  
13 anticipated increase in the population of aged residents of this  
14 state who may be in need of services;

15 (4) foster partnerships among state agency programs,  
16 local health departments, hospital districts, and other parties;  
17 and

18 (5) allow for innovative or new models of service  
19 delivery.

20 (c) An authority's service coordination activities may  
21 include, to the extent they are consistent with the terms of the  
22 authority's contracts with the Department of Aging and Disability  
23 Services:

24 (1) providing information, assistance, and referrals  
25 for services;

26 (2) providing benefits counseling;

27 (3) assessing persons seeking services;

1           (4) planning and coordinating various available  
2 services across programs;

3           (5) monitoring services;

4           (6) providing relocation services and transition  
5 services;

6           (7) determining eligibility for services; and

7           (8) engaging in crisis prevention and crisis  
8 management activities.

9           Sec. 531.460. SERVICE COORDINATION BY LOCAL BEHAVIORAL  
10 HEALTH AUTHORITIES. (a) A local behavioral health authority shall  
11 coordinate services for clients in the authority's local service  
12 region and shall provide assistance to persons seeking services for  
13 themselves or for others in accessing appropriate information,  
14 treatment resources, and supports to assist in identifying a  
15 person's illness or condition and to develop a plan for the  
16 provision of services.

17           (b) The Department of State Health Services shall ensure  
18 that a local behavioral health authority's service delivery system  
19 is designed to:

20           (1) encourage integration of behavioral health and  
21 primary care services;

22           (2) decrease the stigma associated with mental health  
23 services;

24           (3) more effectively treat persons with multiple  
25 diagnoses or with behavioral health issues and physical health  
26 issues;

27           (4) foster partnerships among state agency programs,

1 local health departments, hospital districts, and other parties;

2 (5) allow for innovative or new models of service  
3 delivery;

4 (6) maximize to the extent practicable federal  
5 matching money; and

6 (7) improve services for children with serious  
7 emotional disturbances by linking programs and resources related to  
8 children's mental health into a more integrated system.

9 (c) An authority's service coordination activities may  
10 include, to the extent they are consistent with the terms of the  
11 authority's contracts with the Department of State Health Services:

12 (1) providing information, assistance, and referrals  
13 for services;

14 (2) providing benefits counseling;

15 (3) assessing persons seeking services;

16 (4) planning and coordinating various available  
17 services across programs;

18 (5) monitoring services;

19 (6) authorizing services;

20 (7) planning for discharge of clients and  
21 postdischarge treatment, services, or supports as needed; and

22 (8) determining eligibility for services.

23 Sec. 531.461. LOCAL BEHAVIORAL HEALTH AUTHORITY RESOURCES  
24 FOR CHILDREN. (a) A local behavioral health authority shall design  
25 system of care resources for children with serious emotional  
26 disturbances that recognize:

27 (1) the unique needs of such children;

1           (2) the various programs in this state through which a  
2 child may be directed to the authority for services; and

3           (3) the various programs available to the child, the  
4 child's family, and the authority through which the child and the  
5 child's family may receive behavioral health services or other  
6 services.

7           (b) A local behavioral health authority shall develop  
8 formal partnerships and coordinate with entities in the authority's  
9 local service region, including school districts, state and local  
10 agencies, and service providers, to ensure that a child with a  
11 serious emotional disturbance receives the most appropriate and  
12 effective care and services to the extent possible. As  
13 appropriate, the authority shall use teams composed of  
14 representatives of public and private service providers and members  
15 of the child's family to develop individual and family service  
16 plans that encompass to the extent possible all appropriate  
17 services and direct interagency and provider cooperation as  
18 necessary to further the plans.

19           (c) The authority shall establish a system for integrating  
20 funding for a child's services from various available sources to  
21 provide a spectrum of services to meet the needs of a child and the  
22 child's family. In establishing the system the authority shall  
23 consider the criteria and expansion plans developed for the Texas  
24 Integrated Funding Initiative under Subchapter G-1.

25           SECTION 2. Section 533.035(g), Health and Safety Code, is  
26 repealed.

27           SECTION 3. (a) To implement Section 531.456, Government

1 Code, as added by this Act, the executive commissioner of the Health  
2 and Human Services Commission shall issue for public comment a  
3 draft proposal for dividing this state into local service regions  
4 for delivery of behavioral health services, including mental health  
5 and chemical dependency services, by local behavioral health  
6 authorities and for delivery of services for aging persons and  
7 persons with disabilities by local aging and disabled authorities.

8 (b) In developing the proposed local service regions, the  
9 executive commissioner shall:

10 (1) analyze aging, disability, and behavioral health  
11 services needs in, and service delivery to, urban and rural areas to  
12 determine whether urban and rural service delivery in a local  
13 service region may be more effectively provided jointly or  
14 separately and consider the results of that analysis in combining  
15 communities into local service regions; and

16 (2) otherwise comply with the requirements and  
17 procedures prescribed by Section 531.456, Government Code, as added  
18 by this Act.

19 SECTION 4. (a) The executive commissioner of the Health and  
20 Human Services Commission by rule shall establish a procedure for  
21 the chief elected officials of each local service region  
22 established under Section 531.456, Government Code, as added by  
23 this Act, to convene and establish a governing structure for the  
24 region's local behavioral health authority or local aging and  
25 disabled authority. The rules must provide guidelines for the  
26 officials to follow in establishing the responsibilities and  
27 functions of each authority.

1 (b) In developing plans for the local service delivery  
2 structure, the chief elected officials shall:

3 (1) solicit information, guidance, and comments from  
4 interested persons and organizations in the local service region,  
5 including persons and organizations of persons who may receive or  
6 provide services;

7 (2) evaluate the needs in the local service region for  
8 services to be coordinated through the local service authority;

9 (3) evaluate the need for and use of locally provided  
10 funding resources;

11 (4) develop methods to improve coordination of local  
12 services;

13 (5) consider and encourage the use of private service  
14 providers and of innovative service delivery models;

15 (6) consider the variety of programs for and services  
16 provided to children and address children's programs and services  
17 and the coordination of those programs and services in the local  
18 service delivery plan; and

19 (7) consider the use of 16-bed inpatient mental health  
20 facilities to maximize the receipt of available federal matching  
21 money for mental health services.

22 (c) The Health and Human Services Commission shall make  
23 available to the chief elected officials the recommendations of the  
24 mental health working group of the Texas State Strategic Health  
25 Partnership regarding behavioral health services reform.

26 (d) The Health and Human Services Commission, the  
27 Department of Aging and Disability Services, and the Department of



1 State Health Services shall provide the chief elected officials  
2 with needed technical assistance and advice in their efforts to  
3 establish the governing structure of a local service authority  
4 under this section.

5 (e) An entity is eligible for designation as a local service  
6 authority only if the entity will not provide services after its  
7 designation. Entities eligible for designation as a local service  
8 authority include:

- 9 (1) a local mental health or mental retardation  
10 authority;
- 11 (2) a hospital district or health services district;
- 12 (3) a local health department or public health  
13 district;
- 14 (4) a city or county government;
- 15 (5) an area agency on aging;
- 16 (6) a council of government;
- 17 (7) a provider of services;
- 18 (8) a new entity created by the chief elected  
19 officials or others;
- 20 (9) a state-operated entity; and
- 21 (10) a private entity.

22 (f) The chief elected officials of each local service  
23 region, in conjunction with the Health and Human Services  
24 Commission, the Department of Aging and Disability Services, the  
25 Department of State Health Services, the existing local mental  
26 health and mental retardation authorities with jurisdiction in the  
27 local service region, and the board of directors of the region's

1 local behavioral health authority or local aging and disabled  
2 authority, as appropriate, shall develop a transition plan to  
3 manage the replacement of local mental health and mental  
4 retardation authority responsibilities and services with those of  
5 the new local behavioral health authority or local aging and  
6 disabled authority and to manage the transition from the provision  
7 of services under the law immediately preceding the effective date  
8 of this Act to the provision of services by local service  
9 authorities under Subchapter M, Chapter 531, Government Code, as  
10 added by this Act, in accordance with rules adopted under that  
11 subchapter. The transition plan must provide for services to be  
12 delivered without disruption.

13 SECTION 5. (a) The Department of State Health Services  
14 shall assist the chief elected officials of each local service  
15 region in designing service delivery systems and resources for  
16 behavioral health care to be coordinated through their local  
17 behavioral health authorities.

18 (b) In providing assistance under Subsection (a) of this  
19 section, the Department of State Health Services shall examine and  
20 promote the solutions to challenges in the mental health care  
21 system that are identified by the President's New Freedom  
22 Commission on Mental Health in its July 2003 final report.

23 SECTION 6. The executive commissioner of the Health and  
24 Human Services Commission shall adopt rules necessary to implement  
25 this Act and the changes in law made by this Act not later than  
26 December 31, 2006.

27 SECTION 7. This Act takes effect September 1, 2005.