

AN ACT

relating to attorney general review of certain contracts for health care purposes.

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

SECTION 1. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.018 to read as follows:

Sec. 531.018. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES; REVIEW BY ATTORNEY GENERAL. (a) This section applies to any contract with a contract amount of \$250 million or more:

(1) under which a person provides goods or services in connection with the provision of medical or health care services, coverage, or benefits; and

(2) entered into by the person and:

(A) the commission;

(B) a health and human services agency; or

(C) any other state agency under the jurisdiction of the commission.

(b) Notwithstanding any other law, before a contract described by Subsection (a) may be entered into by the agency, a representative of the office of the attorney general shall review the form and terms of the contract and may make recommendations to the agency for changes to the contract if the attorney general determines that the office of the attorney general has sufficient subject matter expertise and resources available to provide this

1 service.

2 (c) An agency described by Subsection (a)(2) must notify the
3 office of the attorney general at the time the agency initiates the
4 planning phase of the contracting process. A representative of the
5 office of the attorney general or another attorney advising the
6 agency under Subsection (d) may participate in negotiations or
7 discussions with proposed contractors and may be physically present
8 during those negotiations or discussions.

9 (d) If the attorney general determines that the office of
10 the attorney general does not have sufficient subject matter
11 expertise or resources available to provide the services described
12 by this section, the office of the attorney general may require the
13 state agency to enter into an interagency agreement or to obtain
14 outside legal services under Section 402.0212 for the provision of
15 services described by this section.

16 (e) The state agency shall provide to the office of the
17 attorney general any information the office of the attorney general
18 determines is necessary to administer this section.

19 SECTION 2. Subchapter A, Chapter 811, Government Code, is
20 amended by adding Section 811.009 to read as follows:

21 Sec. 811.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES;
22 REVIEW BY ATTORNEY GENERAL. (a) This section applies to any
23 contract with a contract amount of \$250 million or more:

24 (1) under which a person provides goods or services in
25 connection with the provision of medical or health care services,
26 coverage, or benefits; and

27 (2) entered into by the person and the retirement

1 system.

2 (b) Notwithstanding any other law, before a contract
3 described by Subsection (a) may be entered into by the retirement
4 system, a representative of the office of the attorney general
5 shall review the form and terms of the contract and may make
6 recommendations to the retirement system for changes to the
7 contract if the attorney general determines that the office of the
8 attorney general has sufficient subject matter expertise and
9 resources available to provide this service.

10 (c) The retirement system must notify the office of the
11 attorney general at the time the system initiates the planning
12 phase of the contracting process. A representative of the office of
13 the attorney general or another attorney advising the agency under
14 Subsection (d) may participate in negotiations or discussions with
15 proposed contractors and may be physically present during those
16 negotiations or discussions.

17 (d) If the attorney general determines that the office of
18 the attorney general does not have sufficient subject matter
19 expertise or resources available to provide the services described
20 by this section, the office of the attorney general may require the
21 retirement system to enter into an interagency agreement or to
22 obtain outside legal services under Section 402.0212 for the
23 provision of services described by this section.

24 (e) The retirement system shall provide to the office of the
25 attorney general any information the office of the attorney general
26 determines is necessary to administer this section.

27 SECTION 3. Subchapter A, Chapter 821, Government Code, is

1 amended by adding Section 821.009 to read as follows:

2 Sec. 821.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES;
3 REVIEW BY ATTORNEY GENERAL. (a) This section applies to any
4 contract with a contract amount of \$250 million or more:

5 (1) under which a person provides goods or services in
6 connection with the provision of medical or health care services,
7 coverage, or benefits; and

8 (2) entered into by the person and the retirement
9 system.

10 (b) Notwithstanding any other law, before a contract
11 described by Subsection (a) may be entered into by the retirement
12 system, a representative of the office of the attorney general
13 shall review the form and terms of the contract and may make
14 recommendations to the retirement system for changes to the
15 contract if the attorney general determines that the office of the
16 attorney general has sufficient subject matter expertise and
17 resources available to provide this service.

18 (c) The retirement system must notify the office of the
19 attorney general at the time the system initiates the planning
20 phase of the contracting process. A representative of the office of
21 the attorney general or another attorney advising the agency under
22 Subsection (d) may participate in negotiations or discussions with
23 proposed contractors and may be physically present during those
24 negotiations or discussions.

25 (d) If the attorney general determines that the office of
26 the attorney general does not have sufficient subject matter
27 expertise or resources available to provide the services described

1 by this section, the office of the attorney general may require the
2 retirement system to enter into an interagency agreement or to
3 obtain outside legal services under Section 402.0212 for the
4 provision of services described by this section.

5 (e) The retirement system shall provide to the office of the
6 attorney general any information the office of the attorney general
7 determines is necessary to administer this section.

8 SECTION 4. Sections 531.018, 811.009, and 821.009,
9 Government Code, as added by this Act, apply only to a contract
10 described by those sections that is entered into on or after
11 November 1, 2005.

12 SECTION 5. This Act takes effect September 1, 2005.

H.B. No. 880

President of the Senate

Speaker of the House

I certify that H.B. No. 880 was passed by the House on April 21, 2005, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 880 on May 27, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 880 on May 29, 2005, by a non-record vote.

Chief Clerk of the House

H.B. No. 880

I certify that H.B. No. 880 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 880 on May 29, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor