

By: Delisi

H.B. No. 880

A BILL TO BE ENTITLED

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 \$50 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.

(c) An agency described by Subsection (a)(2) must notify the office of the attorney general at the time the agency initiates the

1 planning phase of the contracting process. A representative of the  
2 office of the attorney general or another attorney advising the  
3 agency under Subsection (e) may participate in negotiations or  
4 discussions with proposed contractors and may be physically present  
5 during those negotiations or discussions.

6 (d) The office of the attorney general may provide or  
7 recommend training for the state agency's employees on contract  
8 negotiation, contract management, and other matters related to the  
9 contracting process.

10 (e) The office of the attorney general may require the state  
11 agency to enter into an interagency agreement or to obtain outside  
12 legal services under Section 402.0212 for the provision of services  
13 described by this section.

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

16 Sec. 811.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES;  
17 REVIEW BY ATTORNEY GENERAL. (a) This section applies to any  
18 contract with a contract amount of \$50 million or more:

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

22 (2) entered into by the person and the retirement  
23 system.

24 (b) Notwithstanding any other law, before a contract  
25 described by Subsection (a) may be entered into by the retirement  
26 system, a representative of the office of the attorney general  
27 shall review the form and terms of the contract and may make

1 recommendations to the retirement system for changes to the  
2 contract.

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

10 (d) The office of the attorney general may provide or  
11 recommend training for the retirement system's employees on  
12 contract negotiation, contract management, and other matters  
13 related to the contracting process.

14 (e) The office of the attorney general may require the  
15 retirement system to enter into an interagency agreement or to  
16 obtain outside legal services under Section 402.0212 for the  
17 provision of services described by this section.

18 SECTION 3. Subchapter A, Chapter 821, Government Code, is  
19 amended by adding Section 821.009 to read as follows:

20 Sec. 821.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES;  
21 REVIEW BY ATTORNEY GENERAL. (a) This section applies to any  
22 contract with a contract amount of \$50 million or more:

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

26 (2) entered into by the person and the retirement  
27 system.

1        (b) Notwithstanding any other law, before a contract  
2 described by Subsection (a) may be entered into by the retirement  
3 system, a representative of the office of the attorney general  
4 shall review the form and terms of the contract and may make  
5 recommendations to the retirement system for changes to the  
6 contract.

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

14        (d) The office of the attorney general may provide or  
15 recommend training for the retirement system's employees on  
16 contract negotiation, contract management, and other matters  
17 related to the contracting process.

18        (e) The office of the attorney general may require the  
19 retirement system to enter into an interagency agreement or to  
20 obtain outside legal services under Section 402.0212 for the  
21 provision of services described by this section.

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

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