

By: Delisi (Senate Sponsor - Zaffirini) H.B. No. 880
(In the Senate - Received from the House April 22, 2005;
April 25, 2005, read first time and referred to Committee on
Finance; May 23, 2005, reported favorably by the following vote:
Yeas 8, Nays 0; May 23, 2005, sent to printer.)

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 \$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
service.

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

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

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

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

Sec. 811.009. 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 the retirement
system.

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

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

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

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

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

Sec. 821.009. 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 the retirement system.

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

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

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

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

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

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

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