

Amend CSSB 758 (Senate committee printing) as follows:

(1) Strike the introductory language to SECTION 7(a) of the bill (page 2, lines 51 through 53) and substitute "Subsections (a), (b), (c), (e), (f), (i), (j), and (k), Section 264.106, Family Code, are amended to read as follows:"

(2) In SECTION 7(a) of the bill, strike amended Subdivision (2), Subsection (a), Section 264.106, Family Code (page 3, lines 3 through 23), and substitute the following:

(1-a) "Conservatorship services" means services provided directly by the department that the department considers necessary to ensure federal financial participation and compliance with state law requirements, including:

(A) initial placement of a child and approval of all subsequent placements of a child;

(B) approval of the child and family service plan;

(C) assisting the department in a suit affecting the parent-child relationship commenced by the department; and

(D) any other action the department considers necessary to ensure the safety and well-being of a child.

(2) "Independent administrator" means an independent agency selected through a competitive procurement process to:

(A) secure, coordinate, and manage substitute care services and case management services in a geographically designated area of the state; and

(B) ensure continuity of care for a child referred to the administrator by the department and the child's family from the day a child enters the child protective services system until the child leaves the system.

(3) In SECTION 7(a) of the bill, strike amended Subsection (b), Section 264.106, Family Code (page 3, line 53, through page 4, line 3), and substitute the following:

(b) The department shall, in accordance with Section 45.004, Human Resources Code:

(1) assess the need for substitute care and case management services throughout the state;

(2) ~~either~~ contract ~~directly~~ with private

agencies as part of regional community-centered networks for the provision of:

(A) all necessary substitute care services; and

(B) case management services in at least 10 percent of the cases in the state [~~or use an independent administrator to contract for those services~~];

(3) contract with an independent administrator, if cost beneficial, to:

(A) procure all substitute care and case management services in Region 8 as a demonstration project; and

(B) coordinate and manage all services needed for children in the temporary or permanent managing conservatorship of the department in Region 8 as a demonstration project [~~a designated geographic area~~];

(4) monitor the quality of services for which the department and each independent administrator contract under this section; and

(5) ensure that the services are provided in accordance with federal law and the laws of this state, including department rules and rules of the Department of State Health Services and the Texas Commission on Environmental Quality.

(4) In SECTION 7(a) of the bill, strike amended Subsection (c), Section 264.106, Family Code (page 4, lines 4 through 16), and substitute the following:

(c) The department shall develop a pilot program for the competitive procurement of case management services in one or more geographic areas of the state. The department shall either contract directly with one or more substitute care providers to provide case management services under the pilot program or use an independent administrator to contract for those services. The department shall have a goal of providing case management services in at least 10 percent of the cases in which the department has been appointed temporary or permanent managing conservator of a child using contract providers. An independent administrator may not:

(1) directly provide substitute care services; or

(2) be governed by a board that has a member who has a financial interest in a substitute care or case management provider

with whom the independent administrator subcontracts.

(5) In SECTION 7(a) of the bill, strike amended Subsection (e), Section 264.106, Family Code (page 4, lines 17 through 43), and substitute the following:

(e) In addition to the requirements of Section 40.058(b), Human Resources Code, a contract with a private agency or an independent administrator must include provisions that:

(1) enable the department to monitor the effectiveness of the services;

(2) specify performance outcomes;

(3) authorize the department to terminate the contract or impose sanctions for a violation of a provision of the contract that specifies performance criteria;

(4) ensure that:

(A) an independent administrator may not refuse to accept a client who is referred for services or reject a client who is receiving services unless the department has reviewed the independent administrator's decision and approved the decision in writing;

(B) a private agency that contracts under Subsection (b)(2)(A) may refuse to accept only a specified percentage of clients who are referred for services or reject only a specified percentage of clients who are receiving services unless the department has reviewed the private agency's decision and approved the decision in writing; and

(C) the standards provided by Paragraphs (A) and (B) apply only to children whose assessment matches the child profile of children the agency is equipped to care for;

(5) authorize the department, an agent of the department, and the state auditor to inspect all books, records, and files maintained by a private agency or an independent administrator relating to the contract; and

(6) the department determines are necessary to ensure accountability for the delivery of services and for the expenditure of public funds.

(f) A contract with an independent administrator for substitute care and case management services under Subsection

(b)(3) [~~(b)(2)~~] must include department-approved provisions that:

(1) enable the independent administrator and the department to:

(A) monitor the effectiveness of substitute care and case management services; and

(B) specify performance standards and authorize termination of the contract for cause;

(2) describe how performance is linked to reimbursement amounts or schedules to provide incentives for desired results;

(3) require all independent administrators and private contractors to disclose to the department any information that may indicate an actual or potential conflict of interest with the commission, the department, or another health and human services agency, including information regarding actual or potential related-party transactions, relationships, interests, or business history, and any other factor that may indicate an actual or potential conflict of interest;

(4) authorize the independent administrator, an agent of the independent administrator, the department, an agent of the department, and the state auditor to inspect all books, records, and files maintained by a contractor relating to the contract; and

(5) the department determines are necessary to ensure accountability for the delivery of services and for the expenditure of public funds.

(6) In SECTION 7(a) of the bill, strike amended Subsection (g), Section 264.106, Family Code (page 4, lines 44 through 48).

(7) Add the following appropriately numbered SECTION to the bill and renumber the remaining SECTIONS of the bill as appropriate:

SECTION _____. Section 264.1062, Family Code, is amended to read as follows:

Sec. 264.1062. EVALUATION OF INDEPENDENT ADMINISTRATORS.
(a) The department shall develop and implement a comprehensive multidisciplinary team to monitor and evaluate the performance of independent administrators. The team must consist of specialized staff who can enable the department to measure critical dimensions

of community-based organization performance, obtained through the quality assurance functions of the independent administrator, including:

- (1) achievement of client and system outcomes;
- (2) compliance with contractual terms and conditions;

and

(3) any history of the community-based organization's noncompliance with the department's licensing standards.

(b) The department shall develop and implement a comprehensive multidisciplinary team to monitor and evaluate the performance of independent administrators. The team must consist of specialized staff who can enable the department to measure critical dimensions of community-based organization performance, obtained through the quality assurance functions of the independent administrator, including:

- (1) achievement of client and systems outcomes;
- (2) compliance with contractual terms and conditions;

and

(3) any history of the community-based organization's noncompliance with the department's licensing standards.

(8) In SECTION 9 of the bill, strike amended Subsection (e), Section 264.107, Family Code (page 5, lines 50 through 56), and substitute the following:

(e) In making placement decisions, an independent administrator or other authorized entity shall:

(1) consult with the child's caseworker and the child's guardian ad litem or court-appointed volunteer advocate when possible; and

(2) use clinical protocols to match a child to the most appropriate placement resource.

(9) In SECTION 28 of the bill, in amended Section 45.002, Human Resources Code (page 11, between lines 35 and 36), insert the following:

(a-1) On or after September 1, 2008, all substitute care and case management services in Region 8, the demonstration region, must be provided by contract providers.

(10) In SECTION 29 of the bill, in amended Section 45.004,

Human Resources Code (page 12, lines 6 and 7), strike the heading to that amended section and substitute "INDEPENDENT ADMINISTRATORS AND[+] DEPARTMENT DUTIES."

(11) In SECTION 29 of the bill, in amended Section 45.004, Human Resources Code (page 12, line 7), strike "~~(a) The~~" and substitute "(a) ~~The~~".

(12) In SECTION 29 of the bill, in amended Section 45.004, Human Resources Code (page 12, between lines 47 and 48), insert the following:

(b) An independent administrator must organize and convene an executive committee composed of the chief executive officer of each participating nonprofit substitute care and case management provider in Region 8 to:

(1) provide a quarterly update on program and financial outcomes; and

(2) allow provider input to recommendations that enhance policies and procedures used in the pilot project area.

(13) In SECTION 31 of the bill, in amended Subsection (d), Section 45.054, Human Resources Code (page 13, line 10), after the period, insert "The House Human Services Committee, or its successor, and the Senate Health and Human Services Committee, or its successor, shall review the results of the pilot program."