By: Rose

H.B. No. 2140

#### A BILL TO BE ENTITLED 1 AN ACT 2 relating to child protective services. 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: SECTION 1. Chapter 261.301(a), Family Code, is amended to 4 5 read as follows: 6 (a) With assistance from the appropriate state or local law enforcement agency as provided by this section, the department or 7 designated agency shall make a prompt and thorough investigation of 8 a report of child abuse or neglect allegedly committed by a person 9 responsible for a child's care, custody, or welfare. 10 The 11 investigation shall be conducted without regard to any pending suit 12 affecting the parent-child relationship. The department may contract with a local law enforcement agency to provide forensic 13 14 investigation support and assist case workers with assessment decisions and intervention activities. The department shall ensure 15 16 that a law enforcement officer who conducts an investigation under a contract with the department receives the training described by 17 18 Section 261.3011(b). SECTION 2. Section 261.303, Family Code, is amended by

19 SECTION 2. Section 261.303, Family Code, is amended by 20 amending Subsection (d) and adding Subsection (e) to read as 21 follows:

(d) A person, including a medical facility, that makes a report under Subchapter B shall release to the department or designated agency, as part of the required report under Section

261.103, records that directly relate to the suspected abuse or 1 2 neglect without requiring parental consent or a court order. If a child is transferred from a reporting medical facility to another 3 4 medical facility to treat the injury or condition that formed the basis for the original report, the transferee medical facility 5 6 shall, at the department's request, release to the department 7 records relating to the injury or condition without requiring 8 parental consent or a court order. (e) A person, including a utility company, that has 9

9 (e) A person, including a utility company, that has 10 confidential locating or identifying information regarding a 11 family that is the subject of an investigation under this chapter 12 shall release that information to the department.

SECTION 3. Section 263.102, Family Code, is amended by adding Subsection (f) to read as follows:

15 (f) In developing the service plan for a child under two years of age, the department shall consult with relevant 16 17 professionals to determine the skills or knowledge that the child's parents must learn or acquire to meet the goals of the service plan. 18 The service plan must require therapeutic family visits between the 19 child and the child's parents supervised by a licensed psychologist 20 21 to promote family reunification and to educate the parents about issues relating to the removal of the child. 22

23 SECTION 4. Section 264.012, Family Code, is amended by 24 adding Subsection (a-1) and amending Subsection (b) to read as 25 follows:

26 <u>(a-1)</u> The department shall spend money appropriated for the 27 <u>child protective services program to pay reasonable and necessary</u>

H.B. No. 2140 burial expenses for a person for whom the department is paying for 1 2 foster care under Section 264.101(a-1)(2) and who dies while in foster care unless there is money in the person's estate or other 3 money available to pay the person's burial expenses. 4 5 The department may accept donations, gifts, or in-kind (b) 6 contributions to cover the costs of any burial expenses paid by the department under this section [for children for whom the department 7 8 has been appointed managing conservator]. SECTION 5. Sections 264.106(b), (e), (g), (i), (j), and (k), 9 Family Code, are amended to read as follows: 10 (b) The department shall, in accordance with Section 11 45.004, Human Resources Code: 12 (1) assess the need for substitute care and case 13 14 management services throughout the state; 15 (2) [either] contract [directly] with private agencies as part of regional community-centered networks for the 16 17 provision of: (A) all necessary substitute care services; and 18 case management services in at least 10 19 (B) percent of the cases in the state [or use an independent 20 21 administrator to contract for those services]; (3) [contract with an independent administrator, if 22 cost beneficial, to coordinate and manage all services needed for 23 24 children in the temporary or permanent managing conservatorship of 25 the department in a designated geographic area; [(4)] monitor the quality of services for which the 26 department <u>contracts</u> [and each independent administrator contract] 27

1 under this section; and

2 <u>(4)</u> [<del>(5)</del>] ensure that the services are provided in 3 accordance with federal law and the laws of this state, including 4 department rules and rules of the Department of State Health 5 Services and the Texas Commission on Environmental Quality.

6 (e) In addition to the requirements of Section 40.058(b),
7 Human Resources Code, a contract with <u>a private agency</u> [<del>an</del>
8 <u>independent administrator</u>] must include provisions that:

9 (1) enable the department to monitor the effectiveness 10 of the services;

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(2) specify performance outcomes;

12 (3) authorize the department to terminate the contract 13 or impose sanctions for a violation of a provision of the contract 14 that specifies performance criteria;

(4) ensure that <u>a private agency</u> [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 <u>private agency's</u> [independent administrator's] decision and approved the decision in writing;

(5) authorize the department, an agent of the
department, and the state auditor to inspect all books, records,
and files maintained by <u>a private agency</u> [an independent
<u>administrator</u>] 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.

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(g) In determining whether to contract with a substitute

1 care provider [or an independent administrator], the department 2 shall consider the provider's [or administrator's] performance 3 under any previous contract between the department and the provider 4 [or administrator].

(i) Except as provided by Subsections (j) and (k) and
notwithstanding any other law, on and after September 1, 2009
[2011], the department may not directly provide substitute care
[and case management] services for children for whom the department
has been appointed temporary or permanent managing conservator.

10 (j) On and after September 1, <u>2009</u> [<del>2011</del>], the department 11 may provide substitute care [<del>and case management</del>] services in an 12 emergency. The executive commissioner shall adopt rules describing 13 the circumstances in which the department may provide those 14 services.

15 (k) The department may provide substitute care [and case 16 management] services as a provider of last resort in any region of 17 the state in which the department [or an independent administrator 18 contracting with the department] is unable to contract with a 19 private agency to provide those services.

20 SECTION 6. Section 264.1062, Family Code, is amended to 21 read as follows:

22 Sec. 264.1062. <u>CONTRACT FOR CASE MANAGEMENT SERVICES</u> 23 [EVALUATION OF INDEPENDENT ADMINISTRATORS]. Not later than 24 <u>September 1, 2009, the</u> [The] department shall <u>contract with private</u> 25 <u>agencies to provide case management services in at least 10 percent</u> 26 <u>of the cases in the state. The department shall select the private</u> 27 <u>agencies through a competitive procurement process</u> [develop and

1	implement a comprehensive multidisciplinary team to monitor and
2	evaluate the performance of independent administrators. The team
3	must consist of specialized staff who can enable the department to
4	measure critical dimensions of community-based organization
5	performance, obtained through the quality assurance functions of
6	the independent administrator, including:
7	[(1) achievement of client and system outcomes;
8	[ <del>(2) compliance with contractual terms and</del>
9	conditions; and
10	[(3) any history of the community-based organization's
11	noncompliance with the department's licensing standards].
12	SECTION 7. Section 264.1063, Family Code, is amended to
13	read as follows:
14	Sec. 264.1063. MONITORING PERFORMANCE OF SUBSTITUTE CARE
15	AND CASE MANAGEMENT PROVIDERS. (a) The department, in
16	consultation with private entities under contract with [ <del>either an</del>
17	independent administrator or] the department to provide substitute
18	care or case management services, shall establish a quality
19	assurance program that uses comprehensive, multitiered assurance
20	and improvement systems based, subject to the availability of
21	funds, on real-time data to evaluate performance.
22	(b) The contract performance outcomes specified in a

22 (b) The contract performance outcomes specified in a 23 contract under Section 264.106 must be consistent with the fiscal 24 goals of privatizing substitute care and case management services 25 and must be within the contractor's authority to deliver. The 26 contract must clearly define the manner in which the substitute 27 care or case management provider's performance will be measured and

1 identify the information sources the department [and, if 2 applicable, the independent administrator] will use to evaluate the 3 performance.

4 SECTION 8. Sections 264.107(c), (d), (e), and (f), Family 5 Code, are amended to read as follows:

6 (c) The <u>department shall institute</u> [contract between the 7 department and an independent administrator or other authorized 8 entity must require, not later than September 1, 2009, ] the use of real-time 9 technology in the department's [independent administrator's or other authorized entity's] placement system to 10 screen possible placement options for a child and match the child's 11 needs with the most qualified providers with vacancies. 12

13 (d) The department shall [institute a quality assurance 14 system in monitoring the independent administrators or other 15 authorized entities to] ensure that placement decisions are 16 reliable and are made in a consistent manner.

17 (e) In making placement decisions, <u>the department</u> [<del>an</del>
 18 independent administrator or other authorized entity</del>] shall:

19 <u>(1) consult with the child's caseworker and the</u> 20 <u>child's guardian ad litem or court-appointed volunteer advocate;</u> 21 <u>and</u>

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

(f) The department may create a regional advisory council in a region to assist the department [and independent administrator or other authorized entity] in:

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(1) assessing the need for resources in the region;

1 and

2 (2) locating substitute care services in the region3 for hard-to-place children.

4 SECTION 9. Subchapter B, Chapter 264, Family Code, is 5 amended by adding Section 264.1071 to read as follows:

6 Sec. 264.1071. PLACEMENT FOR CHILDREN UNDER AGE TWO. In 7 making a placement decision for a child under two years of age, the 8 department shall ensure that the child is placed with a person who 9 will provide a safe and emotionally stable environment for the 10 child and who will be able to provide care for the child without 11 disruption until the child is returned to the child's parents or the 12 department makes a permanent placement for the child.

SECTION 10. Section 264.113, Family Code, is amended by adding Subsection (c) to read as follows:

15 (c) The department shall work with the Department of 16 Assistive and Rehabilitative Services to recruit foster parents and 17 adoptive parents who have skills, training, or experience suitable 18 to care for children with hearing impairments.

SECTION 11. Section 264.121, Family Code, is amended by adding Subsection (c) to read as follows:

(c) At the time a child enters the Preparation for Adult Living Program, the department shall provide an information booklet to the child and the foster parent describing the program and the benefits available to the child, including extended Medicaid coverage until age 21, priority status with the Texas Workforce Commission, and the exemption from the payment of tuition and fees at institutions of higher education as defined by Section 61.003,

### 1 Education Code.

2 SECTION 12. Subchapter C, Chapter 264, Family Code, is
3 amended by adding Section 264.2011 to read as follows:

4 Sec. 264.2011. ENHANCED IN-HOME SUPPORT PROGRAM. (a) То the extent that funding is available, the department shall develop 5 6 a program to strengthen families through enhanced in-home support. 7 The program shall assist certain low-income families and children in child neglect cases in which poverty is believed to be a 8 9 significant underlying cause of the neglect and in which the enhancement of in-home support appears likely to prevent removal of 10 the child from the home or to speed reunification of the child with 11 12 the family.

13 (b) A family that meets eligibility criteria for inclusion 14 in the program is eligible to receive limited funding from a 15 flexible fund account to cover nonrecurring expenses that are 16 designed to help the family accomplish the objectives included in 17 the family's service plan.

18 (c) The executive commissioner shall adopt rules 19 establishing:

20 <u>(1) specific eligibility criteria for the program</u> 21 <u>described in this section;</u>

22 (2) the maximum amount of money that may be made 23 available to a family through the flexible fund account; and

24 (3) the purposes for which money made available under
25 the program may be spent.

26 (d) The department shall evaluate the results of the program
 27 to determine whether the program is successful in safely keeping

H.B. No. 2140 families together. If the department determines that the program is successful, the department shall continue the program to the extent that funding is available. SECTION 13. Section 264.203(a), Family Code, is amended to read as follows: (a) Except as provided by Subsection (d), the court on department may order the parent, managing request of the conservator, guardian, or other member of the subject [abused or neglected] child's household to: (1) participate in the services the department provides or purchases for: (A) alleviating the effects of the abuse or neglect that has occurred; or (B) reducing the reasonable likelihood that the child may be abused or neglected in the immediate or foreseeable future; and (2) [to] permit the child and any siblings of the child to receive the services. SECTION 14. Chapter 266, Family Code, as added by Chapter 268, Acts of the 79th Legislature, Regular Session, 2005, is amended by adding Section 266.0031 to read as follows: Sec. 266.0031. COMMITTEE ON MEDICAL AND FINANCIAL ISSUES RELATING TO ABUSE AND NEGLECT. (a) The committee on medical and financial issues relating to abuse and neglect is composed of nine members appointed by the executive commissioner. The members must include: (1) a representative of the attorney general's office;

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1	(2) a representative of the Department of State Health
2	Services;
3	(3) a representative of the Department of Family and
4	<u>Protective Services;</u>
5	(4) a representative of the Health and Human Services
6	<u>Commission;</u>
7	(5) a representative of a child advocacy center;
8	(6) a physician representative who specializes in
9	<pre>pediatrics;</pre>
10	(7) a representative from a children's hospital; and
11	(8) two additional representatives, each of whom
12	represents one of the interests described by Subdivisions (1)
13	through (7).
14	(b) The executive commissioner shall designate a member
15	representing the Department of State Health Services as the
16	presiding officer of the committee.
17	(c) The committee shall:
18	(1) develop procedures and protocols for physicians,
19	nurses, hospitals, and other health care providers to follow in
20	detecting child abuse and neglect; and
21	(2) recommend methods to finance programs that:
22	(A) provide medical services to abused and
23	neglected children; and
24	(B) assist the department in investigating and
25	proving allegations of abuse and neglect.
26	(d) The committee shall report its findings and
27	recommendations to the department and the legislature not later

### 1 than September 1, 2009.

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# (e) This section expires January 1, 2010.

3 SECTION 15. Section 2155.1442(a), Government Code, is
4 amended to read as follows:

Subject to Subsection (e), the state auditor shall 5 (a) 6 conduct a management review of the residential contract management 7 employees of the Health and Human Services Commission and the 8 Department of Family and Protective Services and make 9 recommendations regarding the organization of, and skills and educational requirements for, those employees. The state auditor 10 shall also make recommendations regarding the implementation of 11 financial accountability provisions and processes to ensure 12 effective and efficient expenditure of state and other contract 13 funds. [The state auditor shall report annually to the governor, 14 the lieutenant governor, the speaker of the house of 15 representatives, and the comptroller on the auditor's 16 -commission's and department's 17 recommendations and the implementation of each recommendation. 18

SECTION 16. Section 40.071, Human Resources Code, is amended to read as follows:

Sec. 40.071. DRUG-ENDANGERED 21 CHILD INITIATIVE. The department shall establish a drug-endangered child initiative 22 aimed at protecting children who are exposed to heroin, cocaine or 23 24 any of its forms, or methamphetamine or to chemicals and other 25 hazardous materials used in the illicit manufacture of 26 methamphetamine.

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SECTION 17. (a) Subchapter B, Chapter 42, Human Resources

1	Code, is amended by adding Section 42.0211 to read as follows:
2	Sec. 42.0211. SAFETY SPECIALISTS, RISK ANALYSTS, AND
3	PERFORMANCE MANAGEMENT. (a) The division shall employ at least one
4	specially trained investigation safety specialist, whose duties
5	include the duty to:
6	(1) review and evaluate the intake of reports that
7	include allegations associated with a higher risk of harm to the
8	child; and
9	(2) consult with the assigned investigator to provide
10	specialized guidance and resources to assist the investigation.
11	(b) The division shall employ at least one risk analyst,
12	whose duties include the duty to:
13	(1) identify facilities, including child-placing
14	agencies, whose compliance histories indicate the potential for a
15	higher risk of harm to children in the care of the facility;
16	(2) review the monitoring and inspection reports for
17	any facilities described by Subdivision (1) to assess the quality
18	of the investigation or monitoring; and
19	(3) identify any additional monitoring or enforcement
20	action that may be appropriate to ensure the safety of a child in
21	the care of the facility.
22	(c) The division must include a performance management unit
23	with duties that include:
24	(1) conducting quality assurance reviews of randomly
25	selected monitoring and investigative reports to ensure compliance
26	with all relevant laws, rules, and agency policies; and
27	(2) making recommendations to improve the quality and

1	consistency of monitoring and investigations.
2	(b) The Department of Family and Protective Services shall
3	implement the change in law made by the enactment of Section
4	42.0211, Human Resources Code, only to the extent that funding is
5	available.
6	SECTION 18. Subchapter B, Chapter 42, Human Resources Code,
7	is amended by adding Section 42.0221 to read as follows:
8	Sec. 42.0221. COMMITTEE ON LICENSING STANDARDS. (a) The
9	committee on licensing standards shall review the standards
10	relating to each license issued by the department.
11	(b) The committee is composed of six members appointed by
12	the governor as follows:
13	(1) one member who operates a facility licensed by the
14	department;
15	(2) one member who is a parent, guardian, or custodian
16	of a child who uses a facility licensed by the department;
17	(3) one member who is an expert in the field of child
18	care and child development; and
19	(4) three members employed by the department who work
20	with facilities licensed by the department.
21	(c) Members of the committee serve two-year terms, with the
22	terms of three members expiring February 1 of each year.
23	(d) The committee shall review and analyze the information
24	provided by the department under Section 42.0455 and shall make
25	recommendations for policy and statutory changes relating to
26	licensing standards and facility inspections.
27	(e) The committee shall report its findings and

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1	recommendations to the department and the legislature not later
2	than December 1 of each year.
3	SECTION 19. (a) Section 42.044, Human Resources Code, is
4	amended by adding Subsection (b-1) and amending Subsection (e) to
5	read as follows:
6	(b-1) At least one of the unannounced, annual inspections of
7	a residential child-care facility must be conducted by a team of at
8	least two residential child-care monitoring staff, and, if
9	feasible, members of the inspection team must be from different
10	residential child-care monitoring units.
11	(e) In addition to the department's responsibility to
12	investigate an agency foster home or agency foster group home under
13	<u>Subsection (c), the</u> [ <del>The</del> ] department shall <u>:</u>
14	<u>(1)</u> periodically conduct inspections of a random
15	sample of agency foster homes and agency foster group homes <u>;</u>
16	(2) investigate any report of a serious incident in an
17	agency foster home or agency foster group home that pertains to a
18	child under the age of six;
19	(3) investigate any alleged violation of a minimum
20	standard by an agency foster home or agency foster group home that
21	poses a high degree of risk to a child in the care of the home who is
22	under the age of six; and
23	(4) conduct at least one annual enforcement team
24	conference for each child-placing agency to thoroughly review the
25	investigations or inspections of the child-placing agency and all
26	of its agency homes [. The department shall use the inspections] to
27	monitor and enforce compliance by a child-placing agency with rules

1 and standards established under Section 42.042.

(b) The executive commissioner of the Health and Human Services Commission shall adopt rules specifying the types of alleged minimum standards violations that are considered to pose a high degree of risk to a child in the care of an agency foster home or agency foster group home under the age of six and must be investigated by the department under Section 42.044(e)(3), Human Resources Code, as added by this Act.

9 (c) The Department of Family and Protective Services shall 10 implement the change in law made by this Act to Section 42.044, 11 Human Resources Code, only to the extent that funding is available. 12 If funding is not available, the executive commissioner of the 13 Health and Human Services Commission is not required to adopt rules 14 as directed by Subsection (b) of this section.

SECTION 20. Subchapter C, Chapter 42, Human Resources Code,
 is amended by adding Section 42.0455 to read as follows:

Sec. 42.0455. FACILITY EVALUATION FORM. (a) The department shall develop an evaluation form to be completed by each facility regulated under this chapter or registered family home after an inspection of the facility or home.

21 (b) The evaluation form must allow the facility or home to 22 provide comments and suggest policy and statutory changes relating 23 to licensing standards and inspection procedures.

24 (c) The department shall compile the information from the 25 evaluations and provide the information to the committee on 26 licensing standards for review.

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SECTION 21. Subchapter C, Chapter 42, Human Resources Code,

1	is amended by adding Section 42.064 to read as follows:
2	Sec. 42.064. PROVIDER INFORMATION DATABASE. (a) The
3	department shall maintain a database containing:
4	(1) the name of each person who was denied a license to
5	operate a foster home under this chapter; and
6	(2) information relating to each complaint filed with
7	the department against a person licensed to operate a foster home,
8	including the manner in which the complaint was resolved and any
9	disciplinary action taken against the license holder.
10	(b) When the department denies, cancels, or refuses to renew
11	a license to operate a foster home, the department shall maintain
12	that information in the database established under this section.
13	(c) The department shall make the information in the
14	database established under this section available to child-placing
15	agencies.
16	SECTION 22. Section 45.002, Human Resources Code, is
17	amended to read as follows:
18	Sec. 45.002. PRIVATIZING SUBSTITUTE CARE AND CASE
19	MANAGEMENT SERVICES; DEPARTMENT DUTIES. (a) Not later than
20	September 1, <u>2009</u> [ <del>2011</del> ], the department shall <u>:</u>
21	(1) complete the statewide privatization of the
22	provision of substitute care <u>services;</u> and
23	(2) privatize case management services in at least 10
24	percent of the cases in this state.
25	(b) On and after September 1, <u>2009</u> [ <del>2011</del> ]:
26	(1) all substitute care <u>services</u> and <u>at least 10</u>
27	percent of the case management services provided in the state for

1 children for whom the department has been appointed temporary or 2 permanent managing conservator must be provided by child-care 3 institutions and child-placing agencies;

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4 (2) all substitute care and case management service 5 providers shall, to the best extent possible, honor the cultural 6 and religious affiliations of a child placed in the service 7 provider's care, regardless of the religious affiliation of the 8 service provider; and

9 (3) except as provided by Subsections (d) and (e) and 10 notwithstanding any other law, the department may not directly 11 provide substitute care [and case management] services.

12 (c) On and after September 1, <u>2009</u> [<del>2011</del>], the department 13 shall:

(1) monitor the quality of services for which the department <u>contracts</u> [and each independent administrator contract] under this chapter; and

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

(d) On and after September 1, <u>2009</u> [<del>2011</del>], the department may provide substitute care [<del>and case management</del>] services in an emergency. The executive commissioner shall adopt rules describing the circumstances in which the department may provide those services.

(e) The department may provide substitute care [and case
 management] services as a provider of last resort as provided by

1 Section 264.106(k), Family Code.

2 SECTION 23. Section 45.004, Human Resources Code, is 3 amended to read as follows:

4 Sec. 45.004. [INDEPENDENT ADMINISTRATORS;] DEPARTMENT 5 DATA SYSTEM DUTIES. [(a) The department shall research and develop 6 a comprehensive strategy for contracting for management support services from independent administrators on a regional basis. If 7 8 the department determines that an independent administrator could manage and procure substitute care and case management services 9 10 contracts with private agencies and conduct placement assessments in a more cost-beneficial manner, the department shall implement a 11 transition plan to transfer the procurement, management, and 12 oversight of substitute care and case management services from the 13 department to an independent administrator, as well as 14 responsibility for placement assessments. If the department 15 determines that contracting for management support from an 16 -cost beneficial. 17 independent administrator is not <u>+ho</u> privatization of substitute care and case management services will 18 occur as provided by Section 45.002(b). 19

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[(b) The comprehensive strategy, at a minimum, must:

21 [(1) use competitively procured independent 22 administrators to procure and manage substitute care and case 23 management providers in a geographic region designated by the 24 department;

25 [(2) require independent administrators to contract
26 with private agencies that will:

27 [(A) increase local foster and adoptive

1	placement options for all children, especially teenagers, sibling
2	groups, children whose race or ethnicity is disproportionately
3	represented in foster care, children with severe or multiple
4	disabilities, and other children who are difficult to place; and
5	[ <del>(B) expand efforts to recruit foster families,</del>
6	adoptive families, and alternative care providers through
7	faith-based and other targeted recruitment programs; and
8	[ <del>(3) allow permanency services providers to enter</del>
9	client, service, and outcome information into the department's
10	<del>client data system.</del>
11	$\left[ \frac{1}{1+1} \right]$ Subject to the appropriation of funds, the department
12	shall:
13	(1) enhance existing data systems to include contract
14	performance information; and
15	(2) implement a contracting data system developed or
16	procured by the department, to track quality assurance and other
17	contracting tools to effectively manage, monitor, and evaluate
18	performance-based contracting functions.
19	SECTION 24. Section 45.052, Human Resources Code, is
20	amended to read as follows:
21	Sec. 45.052. FINANCING. The department shall create
22	financing and payment arrangements that provide incentives for $\left[\frac{1}{2}\right]$
23	independent administrator and] substitute care and case management
24	providers to achieve safety, permanency, and well-being outcomes
25	and improved system performance. In developing this financing
26	arrangement, the department shall examine:
27	(1) the use of case rates or performance-based

1 fee-for-service contracts that include incentive payments or 2 payment schedules that link reimbursement to results; and

3 (2) ways to reduce a contractor's financial risk that 4 could jeopardize the solvency of the contractor, including the use 5 of a risk-reward corridor that limits risk of loss and potential 6 profits or the establishment of a statewide risk pool.

7 SECTION 25. The heading to Section 45.054, Human Resources
8 Code, is amended to read as follows:

9 Sec. 45.054. <u>EVALUATION OF CASE MANAGEMENT SERVICES</u> 10 [<del>REGIONAL IMPLEMENTATION</del>].

SECTION 26. Sections 45.054(c) and (d), Human Resources
Code, are amended to read as follows:

13 (c) Not later than the <u>second</u> [first] anniversary of the 14 date the department enters into the first contract for [substitute 15 care and] case management services under this section, the 16 department shall contract with a qualified, independent third party 17 to evaluate each phase of the privatization of [substitute care 18 and] case management services. Each evaluation must:

(1) assess the performance of [substitute care and]case management services based on compliance with defined qualityoutcomes for children;

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(2) assess the achievement of performance measures;

(3) compare for quality the performance of [substitute care and] case management services provided by contractors to [substitute care and] case management services provided by the department [in similar regions];

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(4) determine if contracted services are cost

1 beneficial; and

2 (5) assess the private sector's ability to meet the 3 performance measures[, including service capacity, for the 4 remaining regions].

5 (d) The independent third party with whom the department 6 contracts under Subsection (c) shall submit its reports and 7 recommendations to the House Human Services Committee, or its 8 successor, and the Senate Health and Human Services Committee, or 9 its successor<u>, not later than September 1, 2011</u>.

SECTION 27. Section 45.101, Human Resources Code, is amended to read as follows:

Sec. 45.101. GOALS FOR PRIVATIZATION. 12 In privatizing substitute care and case management services, the department [The 13 transition plan adopted under Section 45.053] must provide for a 14 15 new structural model for the community-centered delivery of substitute care and case management services that is based on a goal 16 17 of improving protective services, achieving timely permanency for children in substitute care, including family reunification, 18 placement with a relative, or adoption, and improving the overall 19 well-being of children in substitute care consistent with federal 20 21 and state mandates.

22 SECTION 28. (a) The Department of Family and Protective 23 Services shall develop a child protective services improvement plan 24 that is designed to build on the child protective services reform 25 elements added by Chapter 268, Acts of the 79th Legislature, 26 Regular Session, 2005. In developing the plan, the department 27 shall seek to expand on or modify initiatives that have resulted in

1 demonstrable improvements and that serve the primary goals of: 2 (1) keeping families together while ensuring child 3 safety in the home; (2) reducing the length of time children remain in 4 5 state care; and improving the quality and accountability of foster 6 (3) 7 care. 8 (b) The improvement plan must include: 9 (1)expanding the use of family group decision making; reducing caseloads for caseworkers providing 10 (2) family-based safety services and ongoing substitute care services; 11 12 (3) implementing an enhanced in-home support program, as enacted by Section 264.2011, Family Code, as added by this Act, 13 14 to provide enhanced in-home supports to certain families; 15 (4) providing additional purchased client services designed to keep families together and to reunite families more 16 17 quickly while ensuring child safety; enhancing support of kinship placements by hiring (5) 18 additional kinship workers to provide additional support and 19 education to relative placements and purchasing additional support 20 services for relative placements; 21 (6) enhancing services needed to 22 support court services and preparation of records for adoptive placement; 23 24 (7) transitioning all Department of Family and 25 Protective Services foster and adoptive homes to private 26 child-placing agencies, while enhancing the quality and 27 accountability of those services through performance-based

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1 contracting and enhanced contract monitoring and enforcement; 2 (8) improving the quality and accountability of child-care licensing monitoring and investigations by assigning 3 those functions to separate staff, providing specialized training 4 5 to staff who perform each function, performing additional investigations of certain reports involving young children, and 6 7 providing additional support and oversight to both functions;

8 (9) expanding substitute and adoptive placement 9 quality and capacity in local communities through the procurement 10 of a statewide needs assessment and through implementation of 11 recommendations for expanding and improving provider capabilities;

12 (10) streamlining criminal history background checks13 to increase the efficiency and effectiveness of those checks;

14 (11) improving the quality of services delivered by 15 the Department of Family and Protective Services through expanded 16 use of mobile technology and enhancements to the department's CLASS 17 and IMPACT database systems and operations;

(12) expanding implementation of the remediation plan
required under Section 1.54, Chapter 268, Acts of the 79th
Legislature, Regular Session, 2005, to address racial or ethnic
disparities in foster care; and

(13) implementing a statewide pilot program for a time-limited, posthospitalization "step-down" rate, approved by the executive commissioner of the Health and Human Services Commission, to support the successful transition of children who have experienced or are likely to experience multiple inpatient admissions in a psychiatric hospital to an appropriate level of

1 care.

The Department of Family and Protective Services shall 2 (c) implement the improvement plan described by this section only to 3 4 the extent that funds are available for that purpose. If funds are 5 available to support some, but not all, elements of the plan, the 6 department shall implement only those parts of the plan for which 7 funding is available. To the extent feasible, the department shall 8 contract for services needed to implement elements of the 9 improvement plan, including the services needed to expand family group decision making, family-based safety services, kinship 10 support services, and purchased client services. 11

SECTION 29. (a) Not later than December 31, 2007, the Department of Family and Protective Services shall prepare and submit a detailed plan for:

(1) the implementation of each element of the child protective services improvement plan required by Section 29 of this Act for which funding has been obtained; and

18 (2) the continued implementation of all child
19 protective services reform activities required by Chapter 268, Acts
20 of the 79th Legislature, Regular Session, 2005, as modified by this
21 Act.

(b) At the end of each fiscal year beginning August 31, 23 2008, the Department of Family and Protective Services shall 24 prepare and submit a progress report that details the department's 25 activities in implementing the plan described by Subsection (a)(1) 26 of this section. The progress report must include the department's 27 calculation of cost savings from reduced stays in foster care and

any other cost savings that can be attributed to the implementation 1 2 of the improvement plan and continued child protective services 3 reforms. 4 (c) The Department of Family and Protective Services shall 5 submit the implementation plan and periodic progress reports 6 required by this section to: 7 (1)the governor; the lieutenant governor; 8 (2) 9 (3) the speaker of the house of representatives; 10 (4) appropriate oversight committees of the legislature; 11 (5) the Legislative Budget Board; and 12 (6) the state auditor. 13 This section expires September 1, 2010. 14 (d) 15 SECTION 30. The following sections are repealed: 16 (1) Sections 264.106(a)(2) and (4), Family Code; Sections 264.106(c) and (d), Family Code; 17 (2) Sections 45.001(6), (9), and (11), Human Resources 18 (3) Code; 19 20 (4) Sections 45.054(a), (b), (e), (f), (g), and (h), 21 Human Resources Code; and 22 (5) Section 45.102, Human Resources Code. SECTION 31. This Act takes effect September 1, 2007. 23

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