

By: Nelson

S.B. No. 8

A BILL TO BE ENTITLED

AN ACT

relating to the administration, powers, and duties of the Texas Health Services Authority.

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

SECTION 1. Section 182.001, Health and Safety Code, is amended to read as follows:

Sec. 182.001. PURPOSE. This chapter establishes the Texas Health Services Authority as a public-private collaborative to:

(1) implement the state-level health information technology functions identified by the Texas Health Information Technology Advisory Committee by serving as a catalyst for the development of a seamless electronic health information infrastructure to support the health care system in the state and to improve patient safety and quality of care; and

(2) make recommendations to improve the quality of health care funded by both public and private payors and to increase accountability and transparency.

SECTION 2. Section 182.002, Health and Safety Code, is amended by amending Subdivision (5) and adding Subdivisions (1-a), (3-a), (3-b), and (3-c) to read as follows:

(1-a) "Clinical integration" means a network of health care practitioners implementing an active and ongoing program to evaluate and modify practice patterns by the network's participants and create a high degree of interdependence and cooperation to

1 control costs and ensure quality.

2 (3-a) "Global payments" means compensation paid to a
3 health care practitioner or a health care facility for providing or
4 arranging a defined set of covered health care services to
5 participating persons for a specific period. The amount of
6 compensation is based on a predetermined payment for each person
7 for that period regardless of the specific services actually
8 provided to persons in that period.

9 (3-b) "Health care facility" means a hospital,
10 emergency clinic, outpatient clinic, birthing center, ambulatory
11 surgical center, or other facility providing health care services.

12 (3-c) "Health care practitioner" means an individual
13 who is licensed or otherwise authorized to provide health care
14 services in this state.

15 (5) "Payor" ["Physician"] means:

16 (A) an insurer that writes health insurance
17 policies [~~an individual licensed to practice medicine in this state~~
18 ~~under the authority of Subtitle B, Title 3, Occupations Code~~];

19 (B) a preferred provider organization, health
20 maintenance organization, or self-insurance plan [~~a professional~~
21 ~~entity organized in conformity with Title 7, Business Organizations~~
22 ~~Code, and permitted to practice medicine under Subtitle B, Title 3,~~
23 ~~Occupations Code~~]; or

24 (C) any other person that provides, offers to
25 provide, or administers hospital, outpatient, medical, or other
26 health benefits to a person treated by a health care practitioner
27 under a policy, plan, or contract [~~a partnership organized in~~

1 ~~conformity with Title 4, Business Organizations Code, composed~~
2 ~~entirely of individuals licensed to practice medicine under~~
3 ~~Subtitle B, Title 3, Occupations Code,~~

4 ~~[(D) an approved nonprofit health corporation~~
5 ~~certified under Chapter 162, Occupations Code,~~

6 ~~[(E) a medical school or medical and dental unit,~~
7 ~~as defined or described by Section 61.003, 61.501, or 74.601,~~
8 ~~Education Code, that employs or contracts with physicians to teach~~
9 ~~or provide medical services or employs physicians and contracts~~
10 ~~with physicians in a practice plan; or~~

11 ~~[(F) an entity wholly owned by individuals~~
12 ~~licensed to practice medicine under Subtitle B, Title 3,~~
13 ~~Occupations Code].~~

14 SECTION 3. Section 182.051(a), Health and Safety Code, is
15 amended to read as follows:

16 (a) The corporation is established to:

17 (1) promote, implement, and facilitate the voluntary
18 and secure electronic exchange of health information[+] and

19 ~~[-2-]~~ create incentives to promote, implement, and
20 facilitate the voluntary and secure electronic exchange of health
21 information; and

22 (2) research, develop, support, and promote
23 recommended strategies to improve the quality of health care in
24 this state and to increase accountability and transparency through
25 voluntary implementation of the recommendations by health care
26 practitioners, health care facilities, and payors, including
27 recommendations for:

- 1 (A) best practice standards for health care
- 2 facilities and health care practitioners;
- 3 (B) performance measures for health care
- 4 practitioners;
- 5 (C) improved payment methodologies for payors;
- 6 and
- 7 (D) streamlined administrative processes.

8 SECTION 4. Sections 182.053(a), (b), and (c), Health and
9 Safety Code, are amended to read as follows:

10 (a) The corporation is governed by a board of 15 [~~11~~]
11 directors appointed as follows:

- 12 (1) five members appointed by the governor;
- 13 (2) five members appointed by the governor from a list
- 14 of candidates prepared by the speaker of the house of
- 15 representatives; and
- 16 (3) five members appointed by the lieutenant governor
- 17 [, with the advice and consent of the senate].

18 (b) The following [~~governor shall also appoint at least two~~]
19 ex officio, nonvoting members also serve on the board:

- 20 (1) at least two persons representing the Department
- 21 of State Health Services, appointed by the governor;
- 22 (2) the executive commissioner of the Health and Human
- 23 Services Commission;
- 24 (3) the commissioner of insurance;
- 25 (4) the executive director of the Employees Retirement
- 26 System of Texas;
- 27 (5) the executive director of the Teacher Retirement

1 System of Texas; and

2 (6) the state Medicaid director of the Health and
3 Human Services Commission.

4 (c) The governor and lieutenant governor shall appoint as
5 voting board members individuals who represent consumers, clinical
6 laboratories, health benefit plans, hospitals, regional health
7 information exchange initiatives, pharmacies, physicians, or rural
8 health providers, or who possess expertise in any other area the
9 governor or lieutenant governor finds necessary for the successful
10 operation of the corporation.

11 SECTION 5. Section 182.054, Health and Safety Code, is
12 amended to read as follows:

13 Sec. 182.054. TERMS OF OFFICE. Appointed members of the
14 board serve two-year terms and may continue to serve until a
15 successor has been appointed by the appropriate appointing
16 authority [~~governor~~].

17 SECTION 6. Section 182.101, Health and Safety Code, is
18 amended to read as follows:

19 Sec. 182.101. GENERAL POWERS AND DUTIES. (a) The
20 corporation may:

21 (1) establish statewide health information exchange
22 capabilities, including capabilities for electronic laboratory
23 results, diagnostic studies, and medication history delivery, and,
24 where applicable, promote definitions and standards for electronic
25 interactions statewide;

26 (2) seek funding to:

27 (A) implement, promote, and facilitate the

1 voluntary exchange of secure electronic health information between
2 and among individuals and entities that are providing or paying for
3 health care services or procedures; and

4 (B) create incentives to implement, promote, and
5 facilitate the voluntary exchange of secure electronic health
6 information between and among individuals and entities that are
7 providing or paying for health care services or procedures;

8 (3) establish statewide health information exchange
9 capabilities for streamlining health care administrative functions
10 including:

11 (A) communicating point of care services,
12 including laboratory results, diagnostic imaging, and prescription
13 histories;

14 (B) communicating patient identification and
15 emergency room required information in conformity with state and
16 federal privacy laws;

17 (C) real-time communication of enrollee status
18 in relation to health plan coverage, including enrollee
19 cost-sharing responsibilities; and

20 (D) current census and status of health plan
21 contracted providers;

22 (4) support regional health information exchange
23 initiatives by:

24 (A) identifying data and messaging standards for
25 health information exchange;

26 (B) administering programs providing financial
27 incentives, including grants and loans for the creation and support

1 of regional health information networks, subject to available
2 funds;

3 (C) providing technical expertise where
4 appropriate;

5 (D) sharing intellectual property developed
6 under Section 182.105;

7 (E) waiving the corporation's fees associated
8 with intellectual property, data, expertise, and other services or
9 materials provided to regional health information exchanges
10 operated on a nonprofit basis; and

11 (F) applying operational and technical standards
12 developed by the corporation to existing health information
13 exchanges only on a voluntary basis, except for standards related
14 to ensuring effective privacy and security of individually
15 identifiable health information; and

16 (5) ~~[identify standards for streamlining health care
17 administrative functions across payors and providers, including
18 electronic patient registration, communication of enrollment in
19 health plans, and information at the point of care regarding
20 services covered by health plans; and~~

21 ~~[(6)]~~ support the secure, electronic exchange of
22 health information through other strategies identified by the
23 board.

24 (b) The corporation shall research, develop, support, and
25 promote:

26 (1) best practice standards for health care
27 practitioners and health care facilities;

1 (2) strategies to require or encourage adherence to
2 best practice standards, including providing health care
3 practitioners and health care facilities with the support tools and
4 information necessary to promote adherence to best practice
5 standards;

6 (3) performance measures that may be used to evaluate
7 the quality of care that a patient receives from a health care
8 practitioner or at a health care facility;

9 (4) standards for reporting the results of performance
10 measures under Subdivision (3), comparing health care
11 practitioners and health care facilities based on the performance
12 measures, and sharing this information among health care
13 practitioners, health care facilities, and payors;

14 (5) recommendations for disseminating the results of
15 the performance measures under Subdivision (3) to the public;

16 (6) standards for technology to collect information to
17 measure medical outcomes, quality of care, and adherence to best
18 practice standards;

19 (7) strategies for use of existing resources that are
20 available for the exchange of health care information;

21 (8) strategies for use by the state to facilitate the
22 exchange of health care information, the interoperability of
23 different information storage and transmission systems, and the
24 standardization of health care information in the system;

25 (9) recommendations to encourage clinical integration
26 and collaboration of health care practitioners to control costs and
27 improve quality;

1 (10) alternative payment methodologies for payors of
2 health care practitioners and health care facilities that improve
3 efficiency and promote a higher quality of patient care and the use
4 of best practices, including:

5 (A) bundling payments for episodes of care and
6 using global payments to health care practitioners and health care
7 facilities;

8 (B) replacing payment methodologies that are
9 based on number of patients seen or procedures performed; and

10 (C) promoting the use of new payment
11 methodologies by both public and private payors;

12 (11) standards for streamlining health care
13 administrative functions across payors, health care practitioners,
14 and health care facilities, including electronic patient
15 registration, communication of enrollment in health plans, and
16 information at the point of care regarding services covered by
17 health plans; and

18 (12) recommendations for streamlining health care
19 administrative functions, including:

20 (A) communicating point of care services,
21 including laboratory results, diagnostic imaging, and prescription
22 histories;

23 (B) communicating patient identification and
24 emergency room required information in conformity with state and
25 federal privacy laws;

26 (C) real-time communication of enrollee status
27 in relation to health plan coverage, including enrollee

1 cost-sharing responsibilities; and

2 (D) current census and status of health plan
3 contracted health care practitioners and health care facilities.

4 SECTION 7. Subchapter C, Chapter 182, Health and Safety
5 Code, is amended by adding Section 182.1015 to read as follows:

6 Sec. 182.1015. STUDIES ON PAYMENT METHODOLOGIES. (a) The
7 corporation shall conduct a study or contract for a study to be
8 conducted to develop payment incentives to increase access to
9 primary care. The study must evaluate proposals for changes to
10 payment methodologies for implementation by multiple public and
11 private payors and must consider payment methodologies that:

12 (1) reward primary health care practitioners for
13 patient retention;

14 (2) encourage primary health care practitioners to
15 spend an appropriate amount of time with each patient;

16 (3) reward primary health care practitioners for
17 monitoring patients, including reminders to obtain follow-up care;

18 (4) provide incentives for having 24-hour
19 availability of a primary health care practitioner in the practice
20 and taking other action to reduce unnecessary emergency room
21 visits; and

22 (5) improve access to primary care.

23 (b) The corporation shall conduct a study or contract for a
24 study to be conducted to develop payment methodologies based on
25 risk-adjusted episodes of care, including global payments, that
26 create incentives for higher quality of services and reduce
27 unnecessary services. The study must:

1 (1) evaluate payment methodologies that:

2 (A) align incentives for health care
3 practitioners and health care facilities;

4 (B) bundle payments based on episodes of care or
5 provide global payments to address variation in cost while
6 providing incentives for higher quality care;

7 (C) allow for the adjustment of costs based on
8 the risk factors of the patient, including age; and

9 (D) may be adopted by private and public payors;
10 and

11 (2) identify standard medical procedures and
12 determine a standard cost for each procedure that may be used in
13 recommended payment methodologies.

14 (c) The corporation shall submit to the legislature not
15 later than January 1, 2011:

16 (1) a summary of the results of the studies conducted
17 under this section; and

18 (2) legislative recommendations regarding the
19 studies' findings, including methods to require or encourage as
20 many payors as possible to use the payment methodologies
21 recommended by the studies.

22 (d) This section expires September 1, 2011.

23 SECTION 8. Section 182.102(b), Health and Safety Code, is
24 amended to read as follows:

25 (b) The corporation has no authority and may [~~shall~~] not
26 disseminate information[~~, in any manner,~~] to the public that
27 compares, rates, tiers, classifies, measures, or ranks a health

1 care practitioner's or health care facility's [~~physician's~~]
2 performance, efficiency, or quality of practice.

3 SECTION 9. Section 182.102(a), Health and Safety Code, is
4 repealed.

5 SECTION 10. (a) The term of a voting member of the board of
6 directors of the Texas Health Services Authority serving
7 immediately before the effective date of this Act expires on that
8 date.

9 (b) The governor and lieutenant governor shall appoint
10 voting members of the board of directors under Section 182.053(a),
11 Health and Safety Code, as amended by this Act, as soon as possible
12 after the effective date of this Act. A person who is a voting
13 member of the board of directors immediately before the effective
14 date of this Act may be reappointed to the board.

15 SECTION 11. This Act takes effect September 1, 2009.