Amend SB 8 (house committee printing) as follows:

- (1) In SECTION 2.01 of the bill, in added Section 1002.001, Health and Safety Code (page 4, line 3, through page 5, line 27), strike Subdivisions (8), (9), (10), (11), (12), and (13) and substitute:
- (8) "Potentially preventable admission" means an admission of a person to a hospital or long-term care facility that may have reasonably been prevented with adequate access to ambulatory care or health care coordination.
- a health care service provided or ordered by a physician or other health care provider to supplement or support the evaluation or treatment of a patient, including a diagnostic test, laboratory test, therapy service, or radiology service, that may not be reasonably necessary for the provision of quality health care or treatment.
- (10) "Potentially preventable complication" means a harmful event or negative outcome with respect to a person, including an infection or surgical complication, that:
- (A) occurs after the person's admission to a hospital or long-term care facility; and
- (B) may have resulted from the care, lack of care, or treatment provided during the hospital or long-term care facility stay rather than from a natural progression of an underlying disease.
- (11) "Potentially preventable event" means a potentially preventable admission, a potentially preventable ancillary service, a potentially preventable complication, a potentially preventable emergency room visit, a potentially preventable readmission, or a combination of those events.
- means treatment of a person in a hospital emergency room or freestanding emergency medical care facility for a condition that may not require emergency medical attention because the condition could be, or could have been, treated or prevented by a physician or other health care provider in a nonemergency setting.
  - (13) "Potentially preventable readmission" means a

return hospitalization of a person within a period specified by the commission that may have resulted from deficiencies in the care or treatment provided to the person during a previous hospital stay or from deficiencies in post-hospital discharge follow-up. The term does not include a hospital readmission necessitated by the occurrence of unrelated events after the discharge. The term includes the readmission of a person to a hospital for:

- (A) the same condition or procedure for which the person was previously admitted;
- (B) an infection or other complication resulting from care previously provided; or
- (C) a condition or procedure that indicates that a surgical intervention performed during a previous admission was unsuccessful in achieving the anticipated outcome.
- (2) In SECTION 2.01 of the bill, in added Section 1002.052(b)(7), Health and Safety Code (page 7, line 1), strike "and".
- (3) In SECTION 2.01 of the bill, in added Section 1002.052(b), Health and Safety Code (page 7, line 2), between "(8)" and "a representative", insert:

the commissioner of the Department of Aging and Disability Services;

- (9) the executive director of the Texas Workforce Commission;
- (10) the commissioner of the Texas Higher Education Coordinating Board; and

(11)

- (4) In SECTION 2.01 of the bill, strike added Section 1002.053(a), Health and Safety Code (page 7, lines 12-14), and substitute:
- (a) Appointed members of the board serve staggered terms of four years, with the terms of as close to one-half of the members as possible expiring January 31 of each odd-numbered year.
- (5) In SECTION 2.01 of the bill, in added Section 1002.061(c), Health and Safety Code (page 10, line 16), strike "Each" and substitute "Except as otherwise prohibited by law, each".

- (6) In SECTION 2.01 of the bill, in added Section 1002.061, Health and Safety Code (page 10, between lines 20 and 21), insert:
- (d) This section does not permit the sale of information that is confidential under Section 1002.060.
- (7) In SECTION 2.01 of the bill, in added Section 1002.101(1)(C), Health and Safety Code (page 11, line 9), between "efficiency" and the underlined semicolon, insert:

<u>:</u>

(i) using nationally accredited measures;

or

# (ii) if no nationally accredited measures exist, using measures based on expert consensus

- (8) In SECTION 2.01 of the bill, in added Section 1002.102(a)(2), Health and Safety Code (page 12, line 1), after the underlined semicolon, strike "and".
- (9) In SECTION 2.01 of the bill, in added Section 1002.102(a), Health and Safety Code (page 12, line 5), between "care" and the underlined period, insert:

#### ; and

- (4) meaningful use of electronic health records by providers and electronic exchange of health information among providers
- (10) In SECTION 2.01 of the bill, immediately after added Section 1002.102(b), Health and Safety Code (page 12, between lines 14 and 15), insert the following new subsections and reletter the subsequent subsections of Section 1002.102 appropriately:
- (c) In developing recommendations under Subsection (b), the institute shall use nationally accredited measures or, if no nationally accredited measures exist, measures based on expert consensus.
- (d) The institute may study and develop recommendations for measuring the quality of care and efficiency in state or federally funded health care delivery systems other than those described by Subsection (b).
- (11) In SECTION 2.01 of the bill, in added Section 1002.151(b)(5), Health and Safety Code (page 13, line 10), after the underlined semicolon, strike "and".

- (12) In SECTION 2.01 of the bill, in added Section 1002.151(b)(6), Health and Safety Code (page 13, line 11), between "satisfaction" and the underlined period, insert:
  ; and
- (7) the meaningful use of electronic health records by providers and electronic exchange of health information among providers
- (13) In SECTION 2.01 of the bill, in added Section 1002.201(a), Health and Safety Code (page 13, line 17), strike "state and how the public and health care providers" and substitute "state, what information is available to the public, and how the public and health care providers currently benefit and could potentially".
- (14) In SECTION 2.01 of the bill, in added Section 1002.201(b)(1), Health and Safety Code (page 13, line 23), between "providers" and the underlined semicolon, insert "and payors".
- (15) In SECTION 2.01 of the bill, immediately after added Section 1002.202(a), Health and Safety Code (page 14, between lines 8 and 9), insert:

#### (b) The study described by Subsection (a) shall:

- (1) use the assessment described by Section 1002.201 to develop recommendations relating to the adequacy of existing data sources for carrying out the state's purposes under this chapter and Chapter 848, Insurance Code;
- (2) determine whether the establishment of an all payor claims database would reduce the need for some data submissions provided by payors;
- (3) identify the best available sources of data necessary for the state's purposes under this chapter and Chapter 848, Insurance Code, that are not collected by the state under existing law;
- (4) describe how an all payor claims database may facilitate carrying out the state's purposes under this chapter and Chapter 848, Insurance Code;
- (5) identify national standards for claims data collection and use, including standardized data sets, standardized methodology, and standard outcome measures of health care quality

## and efficiency; and

- (6) estimate the costs of implementing an all payor claims database, including:
- (A) the costs to the state for collecting and processing data;
- (B) the cost to the payors for supplying the data; and
- (C) the available funding mechanisms that might support an all payor claims database.
- (16) In SECTION 2.01 of the bill, in added Section 1002.202, Health and Safety Code (page 14, line 9), reletter Subsection (b) as Subsection (c).
- (17) In SECTION 2.04 of the bill (page 14, line 25), between "SECTION 2.04." and "The governor", insert "(a)".
- (18) After SECTION 2.04 of the bill (page 15, between lines 2 and 3), insert:
- (b) In making the initial appointments under this section, the governor shall designate seven members to terms expiring January 31, 2013, and eight members to terms expiring January 31, 2015.
- (19) In SECTION 2.05(a)(4) of the bill (page 15, line 17), between "micro businesses," and "and health care providers", insert "payors,".
- (20) In SECTION 2.05(b)(2) of the bill (page 16, lines 1-2), strike "Subsection (b)" and substitute "Subsection (c)".
- (21) In SECTION 2.05(b)(4) of the bill (page 16, line 7), between "micro businesses," and "and health care providers", insert "payors,".
- (22) In SECTION 3.01 of the bill, strike added Section 848.001(2), Insurance Code (page 16, line 18, through page 17, line 3), and substitute:

# (2) "Health care collaborative" means an entity:

- (A) that undertakes to arrange for medical and health care services for insurers, health maintenance organizations, and other payors in exchange for payments in cash or in kind;
  - (B) that accepts and distributes payments for

## medical and health care services;

- (C) that consists of:
  - (i) physicians;
  - (ii) physicians and other health care

# providers;

(iii) physicians and insurers or health maintenance organizations; or

(iv) physicians, other health care providers, and insurers or health maintenance organizations; and

- (D) that is certified by the commissioner under this chapter to lawfully accept and distribute payments to physicians and other health care providers using the reimbursement methodologies authorized by this chapter.
- (23) In SECTION 3.01 of the bill, in added Section 848.004, Insurance Code (page 19, line 25), between "LAWS." and "An", insert "(a)".
- (24) In SECTION 3.01 of the bill, in added Section 848.004, Insurance Code (page 20, between lines 4 and 5), insert:
- (b) The following provisions of this code apply to a health care collaborative in the same manner and to the same extent as they apply to an individual or entity otherwise subject to the provision:
  - (1) Section 38.001;
  - (2) Subchapter A, Chapter 542;
  - (3) Chapter 541;
  - (4) Chapter 543;
  - (5) Chapter 602;
  - (6) Chapter 701;
  - (7) Chapter 803; and
  - (8) Chapter 804.
- (25) In SECTION 3.01 of the bill, strike added Section 848.005, Insurance Code (page 20, lines 5-10), and substitute:
- Sec. 848.005. CERTAIN INFORMATION CONFIDENTIAL. (a)

  Except as provided by Subsection (b), an application, filing, or

  report required under this chapter is public information subject to

  disclosure under Chapter 552, Government Code.
  - (b) The following information is confidential and is not

# subject to disclosure under Chapter 552, Government Code:

- (1) a contract, agreement, or document that establishes another arrangement:
- (A) between a health care collaborative and a governmental or private entity for all or part of health care services provided or arranged for by the health care collaborative; or
- (B) between a health care collaborative and participating physicians and health care providers;
- (2) a written description of a contract, agreement, or other arrangement described by Subdivision (1);
- (3) information relating to bidding, pricing, or other trade secrets submitted to:
- (A) the department under Sections 848.057(5) and (6); or
  - (B) the attorney general under Section 848.059;
- (4) information relating to the diagnosis, treatment, or health of a patient who receives health care services from a health care collaborative under a contract for services; and
- (5) information relating to quality improvement or peer review activities of a health care collaborative.
- (26) In SECTION 3.01 of the bill, in added Section 848.052(e), Insurance Code (page 21, lines 17-18), strike "may include nonvoting ex officio members" and substitute "must include at least three nonvoting ex officio members who represent the community in which the health care collaborative operates".
- (27) In SECTION 3.01 of the bill, in the heading to added Section 848.053, Insurance Code (page 22, line 12), strike "COMMITTEE." and substitute "COMMITTEE; SHARING OF CERTAIN DATA.

  (a)".
- (28) In SECTION 3.01 of the bill, after added Section 848.053, Insurance Code (page 22, after line 27), insert:
- (b) A health care collaborative shall establish and enforce policies to prevent the sharing of charge, fee, and payment data among nonparticipating physicians and health care providers.
- (29) In SECTION 3.01 of the bill, after added Section 848.055(b), Insurance Code (page 23, between lines 18 and 19),

insert:

- (c) A medical school, medical and dental unit, or health science center as described by Section 61.003, 61.501, or 74.601, Education Code, is not required to obtain a certificate of authority under this chapter to the extent that the medical school, medical and dental unit, or health science center contracts to deliver medical care services within a health care collaborative. This chapter is otherwise applicable to a medical school, medical and dental unit, or health science center.
- employs a physician under a specific statutory authority is not required to obtain a certificate of authority under this chapter to the extent that the entity contracts to deliver medical care services and health care services within a health care collaborative. This chapter is otherwise applicable to the entity.
- (30) In SECTION 3.01 of the bill, after added Section 848.056(c), Insurance Code (page 24, between lines 14 and 15), insert:

## (d) The commissioner by rule may:

- (1) extend the date by which an application is due under this section; and
- (2) require the disclosure of any additional information necessary to implement and administer this chapter, including information necessary to antitrust review and oversight.
- (31) In SECTION 3.01 of the bill, in added Section 848.057, Insurance Code (page 24, line 15), after "APPLICATION.", insert "(a)".
- (32) In SECTION 3.01 of the bill, in added Section 848.057(2)(A)(ii), Insurance Code (page 25, line 1), between "promotes" and "quality-based", insert "improvement in".
- (33) In SECTION 3.01 of the bill, in added Section 848.057(2)(A)(ii), Insurance Code (page 25, line 2), between "outcomes," and "patient", insert "patient safety,".
- (34) In SECTION 3.01 of the bill, in added Section 848.057(2)(C), Insurance Code (page 25, line 8), between "statistics" and "relating", insert "on performance measures".
  - (35) In SECTION 3.01 of the bill, after added Section

- 848.057, Insurance Code (page 26, between lines 1 and 2), insert:
- (b) A certificate of authority is effective for a period of one year, subject to Section 848.060(d).
- (36) In SECTION 3.01 of the bill, strike added Section 848.059, Insurance Code (page 26, line 10, through page 27, line 15), and substitute:
- Sec. 848.059. CONCURRENCE OF ATTORNEY GENERAL. (a) If the commissioner determines that an application for a certificate of authority filed under Section 848.056 complies with the requirements of Section 848.057, the commissioner shall forward the application, and all data, documents, and analysis considered by the commissioner in making the determination, to the attorney general. The attorney general shall review the application and the data, documents, and analysis and, if the attorney general concurs with the commissioner's determination under Sections 848.057(a)(5) and (6), the attorney general shall notify the commissioner.
- (b) If the attorney general does not concur with the commissioner's determination under Sections 848.057(a)(5) and (6), the attorney general shall notify the commissioner.
- (c) A determination under this section shall be made not later than the 60th day after the date the attorney general receives the application and the data, documents, and analysis from the commissioner.
- (d) If the attorney general lacks sufficient information to make a determination under Sections 848.057(a)(5) and (6), within 60 days of the attorney general's receipt of the application and the data, documents, and analysis the attorney general shall inform the commissioner that the attorney general lacks sufficient information as well as what information the attorney general requires. The commissioner shall then either provide the additional information to the attorney general or request the additional information from the applicant. The commissioner shall promptly deliver any such additional information to the attorney general. The attorney general shall then have 30 days from receipt of the additional information to make a determination under Subsection (a) or (b).
  - (e) If the attorney general notifies the commissioner that

- the attorney general does not concur with the commissioner's determination under Sections 848.057(a)(5) and (6), then, notwithstanding any other provision of this subchapter, the commissioner shall deny the application.
- (f) In reviewing the commissioner's determination, the attorney general shall consider the findings, conclusions, or analyses contained in any other governmental entity's evaluation of the health care collaborative.
- (g) The attorney general at any time may request from the commissioner additional time to consider an application under this section. The commissioner shall grant the request and notify the applicant of the request. A request by the attorney general or an order by the commissioner granting a request under this section is not subject to administrative or judicial review.
- (37) In SECTION 3.01 of the bill, in added Section 848.060(a), Insurance Code (page 27, line 19), between "<u>issued</u>" and the underlined comma, insert "or most recently renewed".
- (38) In SECTION 3.01 of the bill, in added Section 848.060(b)(2)(E), Insurance Code (page 28, line 13), after the underlined semicolon, strike "and".
- (39) In SECTION 3.01 of the bill, in added Section 848.060(b)(2)(F), Insurance Code (page 28, line 16), strike "848.107." and substitute "848.107; and".
- (40) In SECTION 3.01 of the bill, after added Section 848.060(b)(2)(F), Insurance Code (page 28, between lines 16 and 17), insert:
- (G) any other information required by the commissioner.
- (41) In SECTION 3.01 of the bill, strike added Section 848.060(c)(1), Insurance Code (page 28, lines 19-22), and substitute:
- (1) the commissioner shall conduct a review under Section 848.057 as if the application for renewal were a new application, and, on approval by the commissioner, the attorney general shall review the application under Section 848.059 as if the application for renewal were a new application; and
  - (42) In SECTION 3.01 of the bill, in added Section

- 848.060(d), Insurance Code (page 29, line 2), between "<u>issued</u>" and the comma, insert "<u>or renewed</u>".
- (43) In SECTION 3.01 of the bill, after added Section 848.060(d), Insurance Code (page 29, between lines 6 and 7), insert:
- (e) A health care collaborative shall report to the department a material change in the size or composition of the collaborative. On receipt of a report under this subsection, the department may require the collaborative to file an application for renewal before the date required by Subsection (a).
- (44) In SECTION 3.01 of the bill, strike added Section 848.103(b), Insurance Code (page 31, lines 5-10), and substitute:
- (b) Notwithstanding any other law, a health care collaborative that is in compliance with this code, including Chapters 841, 842, and 843, as applicable, may contract for, accept, and distribute payments from governmental or private payors based on fee-for-service or alternative payment mechanisms, including:
- (1) episode-based or condition-based bundled payments;
  - (2) capitation or global payments; or
  - (3) pay-for-performance or quality-based payments.
- (c) Except as provided by Subsection (d), a health care collaborative may not contract for and accept from a governmental or private entity payments on a prospective basis, including bundled or global payments, unless the health care collaborative is licensed under Chapter 843.
- (d) A health care collaborative may contract for and accept from an insurance company or a health maintenance organization payments on a prospective basis, including bundled or global payments.
- (45) In SECTION 3.01 of the bill, in added Section 848.106(a)(2), Insurance Code (page 32, line 5), strike "and monitoring" and substitute "monitoring, and evaluation".
- (46) In SECTION 3.01 of the bill, in added Section 848.106(a)(3), Insurance Code (page 32, line 11), strike "and monitoring" and substitute "monitoring, and evaluation".

- (47) In SECTION 3.01 of the bill, in added Section 848.106(a)(4), Insurance Code (page 32, lines 15-16), strike "participating physicians and health care providers" and substitute "participating physicians, health care providers, and patients".
- (48) In SECTION 3.01 of the bill, in added Section 848.153(a), Insurance Code (page 36, line 9), strike "attorney general" and substitute "commissioner".
- (49) In SECTION 3.01 of the bill, after added Section 848.153(d), Insurance Code (page 36, after line 27), insert:
- (e) The commissioner or attorney general may disclose the results of an examination conducted under this section or documentation provided under this section to a governmental agency that contracts with a health care collaborative for the purpose of determining financial stability, readiness, or other contractual compliance needs.
- (50) In SECTION 3.01 of the bill, in added Section 848.201(b)(7), Insurance Code (page 38, line 8), after the underlined semicolon, strike "or".
- (51) In SECTION 3.01 of the bill, in added Section 848.201(b)(8), Insurance Code (page 38, line 15), strike "reasonable." and substitute "reasonable; or".
- (52) In SECTION 3.01 of the bill, after added Section 848.201(b)(8), Insurance Code (page 38, between lines 15 and 16), insert:
- (9) has or is utilizing market power in an anticompetitive manner, in accordance with established antitrust principles of market power analysis.
- (53) In SECTION 3.01 of the bill, after added Section 848.203, Insurance Code (page 39, between lines 13 and 14), insert:

### Sec. 848.204. NOTICE. The commissioner shall:

- (1) report any action taken under this subchapter to:
- (A) the relevant state licensing or certifying agency or board; and
- (B) the United States Department of Health and Human Services National Practitioner Data Bank; and
  - (2) post notice of the action on the department's

#### Internet website.

- Sec. 848.205. INDEPENDENT AUTHORITY OF ATTORNEY GENERAL.
  (a) The attorney general may:
- (1) investigate a health care collaborative with respect to anticompetitive behavior that is contrary to the goals and requirements of this chapter; and
  - (2) request that the commissioner:
    - (A) impose a penalty or sanction;
    - (B) issue a cease and desist order; or
- (C) suspend or revoke the health care collaborative's certificate of authority.
- (b) This section does not limit any other authority or power of the attorney general.
- (54) In SECTION 3.03 of the bill, in the recital (page 40, line 4), strike "Sections 1301.0625 and 1301.0626" and substitute "Section 1301.0625".
- (55) In SECTION 3.03 of the bill, strike added Sections 1301.0625 and 1301.0626, Insurance Code (page 40, lines 6-26), and substitute:
- Sec. 1301.0625. HEALTH CARE COLLABORATIVES. (a) Subject to the requirements of this chapter, a health care collaborative may be designated as a preferred provider under a preferred provider benefit plan and may offer enhanced benefits for care provided by the health care collaborative.
- (b) A preferred provider contract between an insurer and a health care collaborative may use a payment methodology other than a fee-for-service or discounted fee methodology. A reimbursement methodology used in a contract under this subsection is not subject to Chapter 843.
- (c) A contract authorized by Subsection (b) must specify that the health care collaborative and the physicians or providers providing health care services on behalf of the collaborative will hold an insured harmless for payment of the cost of covered health care services if the insurer or the health care collaborative do not pay the physician or health care provider for the services.
- (d) An insurer issuing an exclusive provider benefit plan authorized by another law of this state may limit access to only

preferred providers participating in a health care collaborative if the limitation is consistent with all requirements applicable to exclusive provider benefit plans.

(56) Strike SECTION 3.04 of the bill (page 40, line 27, through page 41, line 11) and substitute:

SECTION 3.04. Subtitle F, Title 4, Health and Safety Code, is amended by adding Chapter 315 to read as follows:

## CHAPTER 315. ESTABLISHMENT OF HEALTH CARE COLLABORATIVES

- Sec. 315.001. AUTHORITY TO ESTABLISH HEALTH CARE COLLABORATIVE. A public hospital created under Subtitle C or D or a hospital district created under general or special law may form and sponsor a nonprofit health care collaborative that is certified under Chapter 848, Insurance Code.
- (57) Strike SECTION 3.07 of the bill (page 43, lines 4-8) and substitute:

SECTION 3.07. Not later than September 1, 2012, the commissioner of insurance and the attorney general shall adopt rules as necessary to implement this article.

(58) Add the following appropriately numbered SECTION to ARTICLE 3 of the bill and renumber subsequent SECTIONS of the ARTICLE accordingly:

SECTION 3.\_\_\_\_. As soon as practicable after the effective date of this Act, the commissioner of insurance shall designate or employ staff with antitrust expertise sufficient to carry out the duties required by this Act.

- (59) In the recital to SECTION 5.01 of the bill (page 44, line 16), strike "Subdivision (10-a)" and substitute "Subdivisions (8-a) and (10-a)".
- (60) In SECTION 5.01 of the bill, in amended Section 98.001, Health and Safety Code, as added by Chapter 359 (SB 288), Acts of the 80th Legislature, Regular Session, 2007 (page 44, between lines 17 and 18), immediately after the recital, insert the following:
- (8-a) "Health care professional" means an individual licensed, certified, or otherwise authorized to administer health care, for profit or otherwise, in the ordinary course of business or professional practice. The term does not include a health care facility.

- (61) In SECTION 5.05 of the bill, strike added Section 98.1046(a), Health and Safety Code (page 46, lines 20-24), and substitute the following:
- (a) In consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter 1002, the department, using data submitted under Chapter 108, shall publicly report for hospitals in this state risk-adjusted outcome rates for those potentially preventable complications and potentially preventable readmissions that the department, in consultation with the institute, has determined to be the most effective measures of quality and efficiency.
- (62) In SECTION 5.05 of the bill, in added Section 98.1046(c), Health and Safety Code (page 47, line 2), strike "health care provider" and substitute "health care professional".
- (63) In SECTION 5.05 of the bill, in added Section 98.1047(a), Health and Safety Code (page 47, line 5), after "(a)", strike "The" and substitute "In consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter 1002, the".
- (64) In SECTION 5.08 of the bill, strike added Section 98.1065, Health and Safety Code (page 48, line 20, through page 49, line 4), and substitute the following:
- Sec. 98.1065. STUDY OF INCENTIVES AND RECOGNITION FOR HEALTH CARE QUALITY. The department, in consultation with the Texas Institute of Health Care Quality and Efficiency under Chapter 1002, shall conduct a study on developing a recognition program to recognize exemplary health care facilities for superior quality of health care and make recommendations based on that study.
- (65) In SECTION 5.10 of the bill, in amended Section 98.110, Health and Safety Code, as added by Chapter 359 (SB 288), Acts of the 80th Legislature, Regular Session, 2007 (page 50, lines 2-3), between "Centers for Disease Control and Prevention" and "for public health research", insert ", or any other agency of the United States Department of Health and Human Services,".
- (66) Add the following appropriately numbered SECTIONS to ARTICLE 5 of the bill and renumber subsequent SECTIONS of the ARTICLE accordingly:

SECTION 5.\_\_\_\_. Section 98.109(a), Health and Safety Code, as added by Chapter 359 (SB 288), Acts of the 80th Legislature, Regular Session, 2007, is amended to read as follows:

- (a) Except as provided by Sections <u>98.1046</u>, 98.106, and 98.110, all information and materials obtained or compiled or reported by the department under this chapter or compiled or reported by a health care facility under this chapter, and all related information and materials, are confidential and:
- (1) are not subject to disclosure under Chapter 552, Government Code, or discovery, subpoena, or other means of legal compulsion for release to any person; and
- (2) may not be admitted as evidence or otherwise disclosed in any civil, criminal, or administrative proceeding.

SECTION 5.\_\_\_\_\_. (a) Not later than December 1, 2012, the Department of State Health Services shall submit a report regarding recommendations for improved health care reporting to the governor, the lieutenant governor, the speaker of the house of representatives, and the chairs of the appropriate standing committees of the legislature outlining:

- (1) the initial assessment in the study conducted under Section 98.1065, Health and Safety Code, as added by this Act;
- (2) based on the study described by Subdivision (1) of this subsection, the feasibility and desirability of establishing a recognition program to recognize exemplary health care facilities for superior quality of health care;
- (3) the recommendations developed under Section 98.1065, Health and Safety Code, as added by this Act; and
- (4) the changes in existing law that would be necessary to implement the recommendations described by Subdivision (3) of this subsection.