

Amend CSSB 1811 (house committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. CORRECTIONAL MANAGED HEALTH CARE

SECTION _____. Section 501.133(a), Government Code, is amended to read as follows:

(a) The committee consists of the following six ~~[nine]~~ members ~~[appointed as follows]~~:

(1) two members employed full-time by the department, at least one of whom is a physician, appointed by the executive director;

~~(2) [two members employed full-time by The University of Texas Medical Branch at Galveston, at least one of whom is a physician, appointed by the president of the medical branch;~~

~~[(3) two members employed full-time by the Texas Tech University Health Sciences Center, at least one of whom is a physician, appointed by the president of the university; and~~

~~[(4)]~~ three public members appointed by the governor who are not affiliated with the department or with any entity with which the committee has contracted to provide health care services under this chapter, at least two of whom are physicians; and

(3) the state Medicaid director, to serve as an ex officio, nonvoting member ~~[licensed to practice medicine in this state]~~.

SECTION _____. Section 501.135(b), Government Code, is amended to read as follows:

(b) A person may not be an appointed ~~[a]~~ member of the committee and may not be a committee employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of health care or health care services; or

(2) the person's spouse is an officer, manager, or paid

consultant of a Texas trade association in the field of health care or health care services.

SECTION _____. Section 501.136, Government Code, is amended to read as follows:

Sec. 501.136. TERMS OF OFFICE. Committee members appointed by the governor serve staggered six-year terms, with the term of one of those members expiring on February 1 of each odd-numbered year. Committee [~~Other committee~~] members appointed by the executive director serve at the will of the executive director [~~appointing official~~] or until termination of the member's employment with the department [~~entity the member represents~~].

SECTION _____. Section 501.137, Government Code, is amended to read as follows:

Sec. 501.137. PRESIDING OFFICER. The governor shall designate a public member of the committee who is a physician [~~licensed to practice medicine in this state~~] as presiding officer. The presiding officer serves in that capacity at the will of the governor.

SECTION _____. Section 501.142, Government Code, is amended to read as follows:

Sec. 501.142. ADMINISTRATION; PERSONNEL. The committee may hire a managed health care administrator, who may be familiar with health care rate structures and may employ personnel necessary for the administration of the committee's duties. The committee shall pay necessary costs for its operation, including costs of hiring the managed health care administrator and other personnel, from funds appropriated by the legislature to the department for correctional health care.

SECTION _____. Section 501.147, Government Code, is amended by amending Subsection (a) and adding Subsections (e) and (f) to read as follows:

(a) The committee may enter into a contract on behalf of the department to fully implement the managed health care plan under this subchapter. A contract entered into under this subsection must:

(1) include provisions necessary to ensure that The University of Texas Medical Branch at Galveston is eligible for and

makes reasonable efforts to participate in the purchase of prescription drugs under Section 340B, Public Health Service Act (42 U.S.C. Section 256b); and

(2) require the health care provider to receive payment for services on a capitated, fee-for-service, or contracted basis.

(e) The committee shall take action as necessary to ensure that the committee contracts only with an entity that can provide services within the amount appropriated for those purposes by the General Appropriations Act.

(f) A contract entered into under this section must allow the committee access to all of the contracting entity's financial records and written policy standards that relate to any inmate health care issue or concern.

SECTION _____. Section 501.148, Government Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (e) to read as follows:

(a) The committee shall:

(1) develop statewide policies for the delivery of correctional health care;

(2) maintain contracts for health care services in consultation with the department and the health care providers;

(3) communicate with the department and the legislature regarding the financial needs of the correctional health care system;

(4) allocate funding made available through legislative appropriations for correctional health care;

(5) monitor the expenditures of The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center to ensure that those expenditures comply with applicable statutory and contractual requirements;

(6) serve as a dispute resolution forum, and final authority regarding standards of care, in the event of a disagreement relating to inmate health care services between:

(A) the department and the health care providers;

or

(B) The University of Texas Medical Branch at

Galveston and the Texas Tech University Health Sciences Center;

(7) address problems found through monitoring activities by the department and health care providers, including requiring corrective action if care does not meet expectations as determined by those monitoring activities;

(8) identify and address long-term needs of the correctional health care system; and

(9) report to the Texas Board of Criminal Justice at the board's regularly scheduled meeting each quarter on the committee's policy decisions, the financial status of the correctional health care system, and corrective actions taken by or required of the department or the health care providers.

(a-1) The committee annually shall develop and submit to the department, the governor, and the Legislative Budget Board a proposed budget for the performance of the committee's duties and responsibilities under this subchapter. Except to the extent the budget is modified by the budget execution process under Chapter 317, the department shall provide funding to the committee in accordance with the budget.

(e) In addition to contracting under Subsection (c) or (d), the committee may contract with an independent certified public accountant or other independent qualified individual with specific health care auditing and billing expertise to perform a complete audit of or actuarial analysis concerning all or any part of the managed health care system and shall contract with an independent qualified individual to conduct an annual audit of all medical billing performed by the health care providers.

SECTION _____. Subchapter E, Chapter 501, Government Code, is amended by adding Section 501.1481 to read as follows:

Sec. 501.1481. STUDY; ANNUAL REPORT. (a) The committee shall conduct an ongoing study that includes:

(1) a review of the viability and cost-effectiveness of:

(A) contracting with nongovernmental entities that are health care providers in rural or other designated areas or for specialized services only;

(B) contracting for certain services with

nursing homes, convalescent homes, or similar facilities, including facilities owned and operated by the state;

(C) arranging for the use under the managed health care plan of any excess bed capacity in hospitals owned or operated by the state; and

(D) purchasing reinsurance, stop-loss insurance, or similar insurance for high-risk cases;

(2) a review of medical care case management policies and the manner in which those policies are implemented;

(3) an identification and itemization of primary and secondary costs of correctional managed health care, including costs related to transportation, use of community hospitals, pharmaceutical care, dental care, and end-of-life policies; and

(4) an identification of sources of financial support available from the federal government, including federal grants.

(b) In conducting a study under Subsection (a), the committee shall consider the relationship between constitutional standards of care applicable to the correctional setting and the actual level of care provided and shall apply a cost-benefit analysis to that consideration.

(c) Not later than December 31 of each year, the committee shall prepare and submit to the department, the governor, and the Legislative Budget Board a report that contains findings and recommendations based on the results of the study during the preceding calendar year, including short-term and long-term policy and management recommendations for reducing costs. The committee shall also provide a copy of the report on request to any health care provider participating in the correctional managed health care provider network.

SECTION _____. Not later than December 31, 2012, the Correctional Managed Health Care Committee shall submit to the Texas Department of Criminal Justice, the governor, and the Legislative Budget Board the first report required by Section 501.1481, Government Code, as added by this Act.