

By: Nelson

S.B. No. 80

A BILL TO BE ENTITLED

AN ACT

relating to public health laboratories administered by the Department of State Health Services.

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

SECTION 1. (a) In this section:

(1) "Department" means the Department of State Health Services.

(2) "Laboratory" means a public health laboratory administered by the department.

(b) It is the intent of the legislature that the department adopt and implement the recommendations developed by the state auditor's office and described in the report "An Audit Report on the Department of State Health Services' Public Health Laboratories" dated September 2010.

(c) The department shall:

(1) resume billing for tests conducted at the South Texas Laboratory;

(2) review and address, as appropriate, unbilled activity at the South Texas Laboratory;

(3) establish and implement a process to review and bill for tests at the South Texas Laboratory that have not yet been billed;

(4) establish and implement a process to ensure Medicaid-eligible services are billed within the required time;

1 (5) pursue obtaining provider status through the
2 United States Centers for Medicaid and Medicare Services to become
3 a Medicare provider;

4 (6) perform and document periodic reconciliations
5 between the department's billing application and laboratories'
6 information applications to ensure that billings are complete and
7 correct;

8 (7) follow up on and correct all errors identified
9 during the reconciliations described by Subdivision (6) of this
10 subsection;

11 (8) ensure that all laboratory testing records are
12 properly recorded and retained in a system with proper security
13 controls, supervisory reviews, and backup procedures;

14 (9) develop, document, and implement procedures for
15 setting fees for laboratory services, including updating and
16 implementing a documented cost allocation methodology that
17 determines reasonable costs for specific types of tests;

18 (10) retain all documentation related to fee setting,
19 including the setting of fees for new tests and any modifications to
20 existing test fees;

21 (11) use a documented methodology to set fees for
22 laboratory services;

23 (12) analyze the department's costs and update the fee
24 schedule as needed in accordance with Section 12.032(c), Health and
25 Safety Code;

26 (13) report uncollected accounts receivable balances
27 for laboratories at the end of each fiscal year, as required by the

1 comptroller;

2 (14) develop and implement policies and procedures for
3 disposing of uncollectable accounts receivable and writing off
4 accounts receivable considered uncollectable in compliance with
5 the requirements of the office of the attorney general;

6 (15) develop and implement policies and procedures for
7 informing laboratory test payors of delinquent accounts;

8 (16) develop and implement policies and procedures for
9 tracking submitter billing statement disputes;

10 (17) continue the implementation of the process to
11 address submitter billing disputes, including use of the separate
12 form for submitters to use when submitting claims for the Texas
13 Health Steps program;

14 (18) develop and implement a comprehensive inventory
15 tracking process for laboratories, including documented policies
16 and procedures that include regular inventory counts and
17 reconciliations of inventory;

18 (19) ensure that laboratories are able to quantify the
19 amount of inventory on hand;

20 (20) report the amounts of inventory on hand in
21 laboratories at the end of each fiscal year in the department's
22 annual financial report;

23 (21) establish a timeline for completing for
24 laboratories a continuity of operations plan that includes
25 agreements to outsource critical operations as needed during an
26 emergency;

27 (22) develop and implement procedures to ensure that

1 laboratories establish a plan to protect specimens submitted for
2 testing, testing supplies, and laboratory equipment in the event of
3 an emergency;

4 (23) develop and implement a process to ensure regular
5 inspections of laboratories' hazardous materials storage
6 buildings;

7 (24) develop and implement a process to track access
8 to laboratories' inventory storage buildings;

9 (25) enhance controls over access to laboratories'
10 information management applications;

11 (26) develop and implement a process to ensure that
12 the policies and procedures for information technology in place at
13 the department, including change management and acceptable use
14 policies, are communicated and incorporated in the operations of
15 laboratories;

16 (27) develop and implement a process to ensure that
17 installation of software is properly authorized and reviewed before
18 installation, in accordance with the department's information
19 technology security policy;

20 (28) conduct a review of information technology user
21 access security to ensure that user access is appropriate and is
22 based on each user's job roles and responsibilities;

23 (29) develop and implement a process to monitor and
24 update user access to the department's information technology
25 applications to ensure that access is appropriate and granted only
26 to current employees;

27 (30) review password controls over laboratory

1 information management applications to ensure that appropriate
2 password policies have been established on the network and on each
3 laboratory application; and

4 (31) develop and perform reconciliation procedures,
5 including a record total count, to ensure that records are complete
6 and accurate prior to the transfer of data to the billing
7 application.

8 (d) The executive commissioner of the Health and Human
9 Services Commission may adopt rules as necessary to implement this
10 section.

11 (e) The department shall submit a report to the governor,
12 the lieutenant governor, the speaker of the house of
13 representatives, and the legislature on the department's progress
14 under this section not later than September 1, 2012.

15 (f) This section expires August 31, 2013.

16 SECTION 2. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2011.