

## **BILL ANALYSIS**

Senate Research Center

S.B. 58  
By: Nelson  
Health & Human Services  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Several mental health services, such as medication management, counseling, and physician services, are already provided through managed care for Medicaid-eligible individuals. However, two categories of services (targeted case management and rehabilitative services) are provided on a fee-for-service basis and targeted case management and rehabilitation services are delivered almost exclusively by local mental health authorities for the Medicaid population. The current system makes it difficult to coordinate physical and behavioral health and limits the number of providers.

S.B. 58 amends current law relating to delivery of and reporting on mental health, behavioral health, substance abuse, and certain other services.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 533.00255, Government Code) and SECTION 2 (Section 539.008, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.00255, as follows:

Sec. 533.00255. BEHAVIORAL HEALTH AND PHYSICAL HEALTH SERVICES NETWORK. (a) Defines "behavioral health services" in this section.

(b) Requires the Health and Human Services Commission (HHSC) or an agency operating part of the state Medicaid managed care program, as appropriate, to the greatest extent possible, to integrate into the Medicaid managed care program implemented under this chapter the following services for Medicaid-eligible persons: behavioral health services, including targeted case management and psychiatric rehabilitation services, and physical health services.

(c) Requires a managed care organization that contracts with HHSC under this chapter to develop a network of public and private providers of behavioral health services and ensure adults with serious mental illness and children with serious emotional disturbance have access to a comprehensive array of services.

(d) Requires HHSC, in implementing this section, to ensure that:

- (1) an appropriate assessment tool is used to authorize services;
- (2) providers are well-qualified and able to provide an appropriate array of services;
- (3) appropriate performance and quality outcomes are measured;

(4) two health home pilot programs are established in two health service areas, representing two distinct regions of the state, for persons who are diagnosed with a serious mental illness and at least one other chronic health condition;

(5) a health home established under a pilot program under Subsection (d)(4) complies with the principles for patient-centered medical homes described in Section 533.0029 (Promotion and Principles of Patient-Centered Medical Homes for Recipients); and

(6) all behavioral health services provided under this section are based on an approach to treatment where the expected outcome of treatment is recovery.

(e) Requires HHSC and the Department of State Health Services (DSHS) to establish a Behavioral Health Integration Advisory Committee:

(1) whose membership is required to include:

(A) individuals with behavioral health conditions who are current or former recipients of publicly funded behavioral health services;

(B) representatives of managed care organizations that have expertise in offering behavioral health services;

(C) public and private providers of behavioral health services; and

(D) providers of behavioral health services who are both Medicaid primary care providers and providers for individuals that are dually eligible for Medicaid and Medicare; and

(2) that is required to:

(A) meet at least quarterly to address the planning and development needs of the behavioral health services network established under this section;

(B) seek input from the behavioral health community on the implementation of this section; and

(C) issue formal recommendations to HHSC regarding the implementation of this section.

(f) Requires HHSC to provide administrative support to facilitate the duties of the advisory committee established under Subsection (e). Provides that this subsection and Subsection (e) expire September 1, 2017.

(g) Requires HHSC, if HHSC determines that it is cost-effective and beneficial to recipients, to include a peer specialist as a benefit to recipients or as a provider type.

(h) Provides that, to the extent of any conflict between this section and any other law relating to behavioral health services, this section prevails.

(i) Requires the executive commissioner of HHSC (executive commissioner) to adopt rules necessary to implement this section.

SECTION 2. Amends Subtitle I, Title 4, Government Code, by adding Chapter 539, as follows:

#### CHAPTER 539. COMMUNITY COLLABORATIVES

Sec. 539.001. DEFINITIONS. Defines "department" and "executive commissioner" in this chapter.

Sec. 539.002. GRANTS FOR ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLABORATIVES. (a) Requires DSHS to make grants to entities, including local governmental entities, nonprofit community organizations, and faith-based community organizations, to establish or expand community collaboratives that bring the public and private sectors together to provide services to persons experiencing homelessness and mental illness to the extent funds are appropriated to DSHS for that purpose. Authorizes DSHS make a maximum of five grants, which are required to be made in the most populous municipalities in this state that are located in counties with a population of more than one million. Requires DSHS to give special consideration to entities establishing a new collaborative in awarding grants.

(b) Requires DSHS to require each entity awarded a grant under this section to leverage additional funding from private sources in an amount that is at least equal to the amount of the grant awarded under this section, and provide evidence of significant coordination and collaboration between the entity, local mental health authorities, municipalities, and other community stakeholders in establishing or expanding a community collaborative funded by a grant awarded under this section.

Sec. 539.003. ACCEPTABLE USES OF GRANT MONEY. Requires an entity to use money received from a grant made by DSHS and private funding sources for the establishment or expansion of a community collaborative, provided that the collaborative must be self-sustaining within seven years. Provides that acceptable uses for the money include:

- (1) the development of the infrastructure of the collaborative and the start-up costs of the collaborative;
- (2) the establishment, operation, or maintenance of other community service providers in the community served by the collaborative, including intake centers, detoxification units, sheltering centers for food, workforce training centers, microbusinesses, and educational centers;
- (3) the provision of clothing, hygiene products, and medical services to and the arrangement of transitional and permanent residential housing for persons served by the collaborative;
- (4) the provision of mental health services and substance abuse treatment not readily available in the community served by the collaborative;
- (5) the provision of information, tools, and resource referrals to assist persons served by the collaborative in addressing the needs of their children; and
- (6) the establishment and operation of coordinated intake processes, including triage procedures, to protect the public safety in the community served by the collaborative.

Sec. 539.004. ELEMENTS OF COMMUNITY COLLABORATIVES. (a) Authorizes an entity to incorporate into the community collaborative operated by the entity the use of the Homeless Management Information System, transportation plans, and case managers if appropriate. Authorizes an entity to also consider incorporating into a collaborative mentoring and volunteering opportunities, strategies to assist homeless youth and homeless families with children, strategies to reintegrate persons who were recently

incarcerated into the community, services for veterans, and strategies for persons served by the collaborative to participate in the planning, governance, and oversight of the collaborative.

(b) Requires that the focus of a community collaborative be the eventual successful transition of persons from receiving services from the collaborative to becoming integrated into the community served by the collaborative through community relationships and family supports.

Sec. 539.005. OUTCOME MEASURES FOR COMMUNITY COLLABORATIVES. Requires each entity that receives a grant from DSHS to establish or expand a community collaborative to select at least four of the following outcome measures that the entity will focus on meeting through the implementation and operation of the collaborative:

(1) persons served by the collaborative will find employment that results in those persons having incomes that are at or above 100 percent of the federal poverty level;

(2) persons served by the collaborative will find permanent housing;

(3) persons served by the collaborative will complete alcohol or substance abuse programs;

(4) the collaborative will help start social businesses in the community or engage in job creation, job training, or other workforce development activities;

(5) there will be a decrease in the use of jail beds by persons served by the collaborative;

(6) there will be a decrease in the need for emergency care by persons served by the collaborative;

(7) there will be a decrease in the number of children whose families lack adequate housing referred to the Department of Family and Protective Services or a local entity responsible for child welfare; and

(8) any other appropriate outcome measure that measures whether a collaborative is meeting a specific need of the community served by the collaborative and that is approved by DSHS.

Sec. 539.006. ANNUAL REVIEW OF OUTCOME MEASURES. Requires DSHS to contract with an independent third party to verify annually whether a community collaborative is meeting the outcome measures under Section 539.005 selected by the entity that operates the collaborative.

Sec. 539.007. REDUCTION AND CESSATION OF FUNDING. Requires DSHS to establish processes by which DSHS may reduce or cease providing funding to an entity if the community collaborative operated by the entity does not meet the outcome measures selected by the entity for the collaborative under Section 539.005 or is not self-sustaining after seven years. Requires DSHS to redistribute any funds withheld from an entity under this section to other entities operating high-performing collaboratives on a competitive basis.

Sec. 539.008. RULES. Requires the executive commissioner to adopt any rules necessary to implement the community collaborative grant program established under this chapter, including rules to establish the requirements for an entity to be eligible to receive a grant, the required elements of a community collaborative operated by an entity, and permissible and prohibited uses of money received by an entity from a grant made by DSHS under this chapter.

SECTION 3. Amends Subchapter D, Chapter 1001, Health and Safety Code, by adding Section 1001.078, as follows:

Sec. 1001.078. MENTAL HEALTH AND SUBSTANCE ABUSE PUBLIC REPORTING SYSTEM. (a) Requires DSHS, in collaboration with HHSC, to establish and maintain a public reporting system of performance and outcome measures relating to mental health and substance abuse services established by the Legislative Budget Board (LBB), DSHS, and HHSC. Requires that the system allow external users to view and compare the performance, outputs, and outcomes of:

(1) community centers established under Subchapter A (Community Centers), Chapter 534 (Community Services), that provide mental health services;

(2) Medicaid managed care pilot programs that provide mental health services; and

(3) agencies, organizations, and persons that contract with the state to provide substance abuse services.

(b) Requires that the system allow external users to view and compare the performance, outputs, and outcomes of the Medicaid managed care programs that provide mental health services.

(c) Requires DSHS to post the performance, output, and outcome measures on DSHS's website so that the information is accessible to the public. Requires DSHS to post the measures quarterly or semiannually in accordance with when the measures are reported to DSHS.

(d) Requires DSHS to consider public input in determining the appropriate outcome measures to collect in the public reporting system. Requires DSHS, to the extent possible, to include outcome measures that capture inpatient psychiatric care diversion, avoidance of emergency room use, criminal justice diversion, and the numbers of people who are homeless served.

(e) Requires HHSC to conduct a study to determine the feasibility of establishing and maintaining the public reporting system, including, to the extent possible, the cost to the state and impact on managed care organizations and providers of collecting the outcome measures required by Subsection (d). Requires HHSC, not later than December 1, 2014, to report the results of the study to the legislature and appropriate legislative committees.

(f) Requires DSHS to ensure that information reported through the public reporting system does not permit the identification of an individual.

SECTION 4. Requires HHSC, not later than December 1, 2013, to establish the Behavioral Health Integration Advisory Committee required by Section 533.00255, Government Code, as added by this Act.

SECTION 5. Requires HHSC, not later than September 1, 2014, to complete the integration of behavioral health and physical health services required by Section 533.00255, Government Code, as added by this Act.

SECTION 6. Requires DSHS, not later than December 1, 2013, to establish the public reporting system as required under Section 1001.078, Health and Safety Code, as added by this Act.

SECTION 7. Requires DSHS, not later than December 1, 2014, to submit a report to the legislature and LBB on the development of the public reporting system as required by Section 1001.078, Health and Safety Code, as added by this Act, and the outcome measures collected.

SECTION 8. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such a waiver or authorization is granted.

SECTION 9. Effective date: September 1, 2013.