**BILL ANALYSIS**

|  |  |
| --- | --- |
| Senate Research Center | C.S.S.B. 11 |
| 85R13431 MK-D | By: Schwertner et al. |
|  | Health & Human Services |
|  | 2/22/2017 |
|  | Committee Report (Substituted) |

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

S.B. 11 addresses the statewide foster care capacity crisis, improves accountability throughout the Child Protective Services (CPS) system, ensures all children and youth have timely access to appropriate and necessary supports and services to improve child safety, permanency and well-being, and enhances foster care redesign, which has produced positive outcomes for children and families. In addition, S.B. 11 strengthens and streamlines standards of abuse and neglect investigations regardless of setting, strategically focuses prevention and early intervention resources to the highest needs areas of the state, and encourages more efficient use of data to prevent recurrence of abuse and neglect.

Specifically, S.B. 11:

Ensures timely and appropriate services for children and youth in foster care by holding the managed care organization who oversees medical care for foster children, child placing agencies, and general residential operations entities accountable through monetary means to ensure all foster care children and youth receive a comprehensive Texas Health Steps assessment within their contractual requirements.

Addresses capacity and the provision of quality, individualized services and supports to children in foster care by renovating the current foster care redesign model, and giving greater authority and accountability to local communities to positively affect foster care children in their community.

* Requires the Department of Family and Protective Services (DFPS) alongside the Health and Human Services Commission (HHSC) to develop a formal, comprehensive readiness review process prior to expanding Foster Care Redesign to new catchment areas. The review should include an assessment of the Single Source Continuum Contractors (SSCC's) readiness to: provide case management services; provide evidence-based, evidence-informed or promising practice services to children and families: and ensure sufficient foster care capacity within the catchment area.
* Increases accountability throughout CPS for providers to deliver quality outcomes for children in the CPS system by implementing a Family Based Safety Services (FBSS) pilot in two catchment areas of the state, requiring a nonprofit to assume responsibility of providing case management and services to children and families, and report on progress and outcomes including recidivism.
* Requires DFPS to develop quality metrics for FBSS and Post-Adoption Services, and requires the department to hold general residential operations and child-placing agencies monetarily accountable to performance outcomes.
* Creates a Quality Assurance Division within DFPS to oversee contract compliance and performance/outcomes of SSCCs and other contractors that provide full management to populations of children/families. DFPS would be required to contract with an outside vendor to develop standards to continuously monitor contractor/vendor adherence to the terms of their contract.
* Strengthens standards for investigations of child abuse/neglect in foster care/Child Care settings and moves these investigations to the CPS Investigations Division.
* Improves Prevention and Early Intervention (PEI) Services by requiring DFPS to utilize risk data and geographic risk assessments to geographically PEI services and dollars and expands partnerships with institutions of higher education to evaluate the effectiveness of PEI.
* Utilizes data to better protect children by requiring the DFPS to review its records retention policy for IMPACT to ensure caseworkers have necessary information from past CPS history.

C.S.S.B. 11 amends current law relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective, relative and kinship caregiver support, and prevention and early intervention services.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted the executive commissioner of the Health and Human Services Commission in SECTION 6 (Section 264.157, Family Code) of this bill.

Rulemaking authority is expressly granted to the Department of Family and Protective Services in SECTION 13 (Sections 40.039 and 40.042, Human Resources Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 261.001(5), Family Code, to redefine “person responsible for a child’s care, custody, or welfare.”

SECTION 2. Amends Subchapter A, Chapter 261, Family Code, by adding Section 261.004, as follows:

Sec. 261.004. TRACKING OF RECURRENCE OF CHILD ABUSE OR NEGLECT REPORTS. (a) Requires the Department of Family and Protective Services (DFPS) to collect and monitor data regarding repeated reports of abuse or neglect involving the same child or by the same alleged perpetrator. Requires DFPS, in monitoring reports under this section, to group together separate reports involving different children residing in the same household.

(b) Requires DFPS to consider any report collected under Subsection (a) involving any child or adult who is a part of a child’s household when making case priority determinations or when conducting service or safety planning for the child or the child’s family.

SECTION 3. Amends Section 264.018, Family Code, by adding Subsections (d-1) and (d-2), as follows:

(d-1) Requires DFPS, except as provided by Subsection (d-2), as soon as possible but not later than 24 hours after a change in placement of a child in DFPS conservatorship, to give notice of the placement change to the managed care organization (MCO) that contracts with the Texas Health and Human Services Commission (HHSC) to provide health care services to the child under the STAR Health program. Requires the managed care organization to give notice of the placement change to the primary care physician listed in the child's health passport before the end of the second business day after the day the MCO receives the notification from DFPS.

(d-2) Defines "catchment area." Requires the single source continuum contractor (SSCC) that has contracted with HHSC to provide foster care services in a catchment area in which community-based care has been implemented, as soon as possible but not later than 24 hours after a change in placement of a child in DFPS conservatorship, to give notice of the placement change to the MCO that contracts with HHSC to provide health care services to the child under the STAR Health program. Requires the MCO to give notice of the placement change to the child's primary care physician in accordance with Subsection (d-1).

SECTION 4. (a) Amends Subchapter B, Chapter 264, Family Code, by adding Section 264.1076, as follows:

Sec. 264.1076. MEDICAL EXAMINATION REQUIRED. (a) Provides that this section applies only to a child who has been taken into DFPS conservatorship and remains in DFPS conservatorship for more than three business days.

(b) Requires DFPS to ensure that each child described by Subsection (a) is examined by a physician or other authorized health care provider not later than the end of the third business day after the date the child enters DFPS conservatorship.

(c) Requires DFPS to collaborate with HHSC and relevant medical practitioners to develop guidelines for the medical examination conducted under this section, including guidelines on the components to be included in the examination.

(d) Requires DFPS, not later than December 31, 2019, to submit a report to the standing committees of the house of representatives and the senate with primary jurisdiction over child protective services and foster care evaluating the statewide implementation of the required medical examination. Requires the report to include the level of compliance with the requirements of this section for each region of the state.

(b) Makes application of Section 264.1076, Family Code, as added by this section, prospective.

(c) Requires DFPS to implement Section 264.1076, Family Code, not later than December 31, 2018.

SECTION 5. (a) Amends Subchapter B, Chapter 264, Family Code, by adding Sections 264.1261 and 264.128, as follows:

Sec. 264.1261. FOSTER CARE CAPACITY NEEDS PLAN. (a) Defines "community-based care."

(b) Requires appropriate DFPS management personnel from a child protective services region in which community-based care has not been implemented, in collaboration with foster care providers, faith-based entities, and child advocates in that region, to use data collected by DFPS on foster care capacity needs and availability of each type of foster care and kinship placement in the region to create a plan to address the substitute care capacity needs in the region. Requires the plan to identify both short-term and long-term goals and strategies for addressing those capacity needs.

(c) Requires a foster care capacity needs plan to be submitted to and approved by the commissioner of DFPS (commissioner) and updated annually.

(d) Requires DFPS to publish each initial foster care capacity needs plan and each annual update to a plan on DFPS's Internet website.

Sec. 264.128. SINGLE CHILD PLAN OF SERVICE INITIATIVE. (a) Defines "community-based care."

(b) Requires DFPS, in regions of the state where community-based care has not been implemented, to collaborate with child-placing agencies to implement the single child plan of service model developed under the single child plan of service initiative and ensure that a single child plan of service is developed for each child in foster care in those regions.

(b) Requires DFPS, notwithstanding Section 264.128(b), Family Code, as added by this section, to develop and implement a single child plan of service for each child in foster care, in a region of the state described by that section, not later than September 1, 2017.

SECTION 6. (a) Amends Chapter 264, Family Code, by adding Subchapter B-1, as follows:

SUBCHAPTER B-1. COMMUNITY-BASED CARE

Sec. 264.151. DEFINITIONS. Defines "case management," "catchment area," and "community-based care,” except as otherwise provided in this subchapter.

Sec. 264.153. QUALIFICATIONS OF SINGLE SOURCE CONTINUUM CONTRACTOR. Requires an entity, to be eligible to enter into a contract with HHSC to serve as an SSCC that provides foster care service delivery, to be a nonprofit entity that has an organizational mission focused on child welfare or a governmental entity.

Sec. 264.154. REQUIRED CONTRACT PROVISIONS. Requires a contract with an SSCC to provide community-based care services in a catchment area to include certain provisions.

Sec. 264.155. READINESS REVIEW PROCESS FOR COMMUNITY-BASED CARE CONTRACTOR. (a) Requires DFPS to develop a formal review process to assess the ability of an SSCC to satisfy the responsibilities and administrative requirements of delivering foster care services and services for relative and kinship caregivers, including the SSCC's ability to provide certain services.

(b) Requires the SSCC, as part of the readiness review process, to prepare a plan detailing the methods by which the SSCC will avoid or eliminate conflicts of interest. Prohibits DFPS from transferring services to the SSCC until DFPS has determined the plan is adequate.

(c) Requires DFPS and HHSC to develop the review process under Subsection (a) before DFPS may expand community-based care outside of the initial catchment areas where community-based care has been implemented.

(d) Authorizes DFPS, if after conducting the review process DFPS makes a certain determination that an SSCC is able to adequately deliver certain services in advance of the timeline included in the contract with the SSCC, to adjust the timeline to allow for an earlier transition of service delivery to the SSCC.

Sec. 264.156. TRANSFER OF CASE MANAGEMENT SERVICES TO SINGLE SOURCE CONTINUUM CONTRACTOR. (a) Requires DFPS, in each initial catchment area where community-based care has been implemented or a contract with an SSCC has been executed before September 1, 2017, to transfer certain services to an SSCC providing foster care services in that area.

(b) Requires HHSC to include a provision, in a contract with an SSCC to provide foster care services and services for relative and kinship caregivers in a catchment area to which community-based care is expanded after September 1, 2017, that requires transfer to the SSCC of the provision of certain services.

(c) Requires DFPS to collaborate with an SSCC to establish an initial case transfer planning team to address any necessary data transfer, establish file transfer procedures, and notify relevant persons regarding the transfer of services to the SSCC.

Sec. 264.157. LIABILITY INSURANCE REQUIREMENTS. Requires the SSCC and any subcontractor of the SSCC providing community-based care services to maintain minimum insurance coverage, as required in the contract with DFPS, to minimize the risk of insolvency and protect against damages. Authorizes the executive commissioner of HHSC to adopt rules to implement this section.

Sec. 264.158. STATUTORY DUTIES ASSUMED BY CONTRACTOR. Requires the SSCC providing foster care services and services for relative and kinship caregivers in a catchment area, either directly or through subcontractors, except as provided by Section 264.159, to assume the statutory duties of DFPS in connection with the delivery of foster care services and services for relative and kinship caregivers in that catchment area.

Sec. 264.159. CONTINUING DUTIES OF DEPARTMENT. Requires legal representation of DFPS, in an action under this code to be provided in accordance with Section 264.009 (Legal Representation of Department), in a catchment area in which an SSCC is providing family- or community-based care services or integrated care coordination.

Sec. 264.160. CONFIDENTIALITY. (a) Provides that the records of an SSCC relating to the provision of community-based care services in a catchment area are subject to Chapter 552 (Public Information), Government Code, in the same manner as the records of DFPS are subject to that chapter.

(b) Provides that Subchapter C (Confidentiality and Privileged Communication), Chapter 261, regarding the confidentiality of certain case information, applies to the records of an SSCC in relation to the provision of services by the SSCC.

Sec. 264.161. NOTICE REQUIRED FOR EARLY TERMINATION OF CONTRACT. Authorizes an SSCC to terminate a contract entered into under this subchapter by providing written notice to HHSC of the SSCC’s intent to terminate the contract not later than the 90th day before the date of the termination.

Sec. 264.162. ATTORNEY-CLIENT PRIVILEGE. Provides that an employee, agent, or representative of an SSCC is considered to be a client’s representative of DFPS for purposes of the privilege under Rule 503, Texas Rules of Evidence, as that privilege applies to communications with a prosecuting attorney or other attorney representing DFPS, or the attorney’s representatives, in a proceeding under this subtitle.

Sec. 264.163. REVIEW OF CONTRACTOR DECISIONS BY DEPARTMENT. (a) Authorizes DFPS, notwithstanding any other provision of this subchapter governing the transfer of case management authority to an SSCC, to review, approve, or disapprove an SSCC’s decision with respect to a child’s permanency goal.

(b) Prohibits Subsection (a) from being construed to limit or restrict the authority of DFPS to include necessary oversight measures and review processes to maintain compliance with federal and state requirements in a contract with an SSCC.

(c) Requires DFPS to develop an internal dispute resolution process to decide disagreements between an SSCC and DFPS.

Sec. 264.164. PILOT PROGRAM FOR FAMILY-BASED SAFETY SERVICES. (a) Defines “case management services.”

(b) Requires DFPS to develop and implement in two child protective services regions of the state a pilot program under which HHSC contracts with a single nonprofit entity that has an organizational mission focused on child welfare or a governmental entity in each region to provide family-based safety services and case management for children and families receiving family-based safety services. Requires the contract to include a transition plan for the provision of services that ensures the continuity of services for children and families in the selected regions.

(c) Requires that the contract with an entity include performance-based provisions that require the entity to achieve certain outcomes for families receiving services from the entity.

(d) Authorizes HHSC to only contract for implementation of the pilot program with entities that DFPS considers to have the capacity to provide, either directly or through subcontractors, an array of evidence-based, promising practice, or evidence-informed services and support programs to children and families in the selected child protective services regions.

(e) Requires the contracted entity to perform all statutory duties of DFPS in connection with the delivery of the specified services.

(f) Requires DFPS, not later than December 31, 2018, to report on the progress of the pilot program to the appropriate standing committees of the legislature having jurisdiction over child protective services and foster care matters. Requires the report to include an evaluation of each contracted entity's success in achieving the outcomes described in Subsection (c) and a recommendation as to whether the pilot program should be continued, expanded, or terminated.

(b) Transfers Section 264.126, Family Code, to Subchapter B-1, Chapter 264, Family Code, redesignates it as Section 264.152, Family Code, and amends it, as follows:

Sec. 264.152. New heading: COMMUNITY-BASED CARE IMPLEMENTATION PLAN. (a) Changes references to foster care redesign to community-based care. Deletes existing text requiring DFPS to develop and maintain a foster care redesign required by Chapter 598 (S.B. 218), Acts of the 82nd Legislature, Regular Session, 2011. Requires the plan to:

(1) makes conforming changes;

(2) include a timeline for implementing community-based care throughout Texas, any limitations related to the implementation, and progressive intervention and contingency plans to provide continuity of the delivery of foster care services and services for relative and kinship caregivers if a contract with an SSCC ends prematurely;

(3) makes no changes to this subdivision;

(4) identify any training needs and include long-range and continuous plans to train caseworkers using the standardized curriculum created by the human trafficking prevention task force under Section 402.035(d)(6), Government Code, as that section existed on August 31, 2017;

(5) makes no changes to this subdivision;

(6) makes conforming changes; and

(7) makes conforming changes.

(b) Makes conforming changes.

(c) Makes application of Section 264.153, Family Code, as added by this section, prospective.

SECTION 7. Amends Subchapter A, Chapter 265, Family Code, by adding Sections 265.0041, 265.0042, 265.0043, and 265.0044, as follows:

Sec. 265.0041. GEOGRAPHIC RISK MAPPING FOR PREVENTION AND EARLY INTERVENTION SERVICES. (a) Requires DFPS to use risk terrain modeling systems, predictive analytic systems, or geographic risk assessments or to develop a system or assessment to identify geographic areas that have high risk indicators of child maltreatment and child fatalities resulting from abuse or neglect and target the implementation and use of prevention and early intervention services to those geographic areas.

(b) Prohibits DFPS from using data gathered under this section to identify a specific family or individual.

(c) Authorizes HHSC, on behalf of DFPS, to enter into agreements with institutions of higher education (IHEs) to develop or adapt, in coordination with DFPS, a risk terrain modeling system, a predictive analytic system, or a geographic risk assessment to be used for the purposes of this section.

Sec. 265.0042. COLLABORATION WITH INSTITUTIONS OF HIGHER EDUCATION. (a) Requires HHSC, on behalf of DFPS and subject to the availability of funds, to enter into agreements with IHEs to conduct efficacy reviews of any prevention and early intervention programs that have not previously been evaluated for effectiveness through a scientific research evaluation process.

(b) Requires DFPS, subject to the availability of funds, to collaborate with an IHE to create and track indicators of child well-being to determine the effectiveness of prevention and early intervention services.

Sec. 265.0043. INTERAGENCY SHARING OF DATA FOR RISK TERRAIN MODELING. (a) Requires state agencies, including certain listed state agencies and notwithstanding any other provision of law, to disclose information related to child abuse or neglect only to the prevention and early intervention services division of DFPS for the purpose of implementing Section 265.0041.

(b) Prohibits the prevention and early intervention services division from disclosing information received under this section to any other state agency or division of DFPS.

Sec. 265.0044. ETHICAL GUIDELINES. Requires the executive commissioner of HHSC to develop certain guidelines regarding the collection and use of the data and the methods for sharing final geographic risk maps with external prevention services providers.

SECTION 8. Amends Section 265.005(b), Family Code, to include the requirement that a strategic plan required under this section identify specific strategies to increase local capacity for the delivery of prevention and early intervention services through collaboration with communities and stakeholders.

SECTION 9. Amends Section 266.012, Family Code, by adding Subsection (c), as follows:

(c) Requires an SSCC under Subchapter B-1, Chapter 264, providing therapeutic foster care services to a child to ensure that the child receives a comprehensive assessment under this section at least once every 90 days.

SECTION 10. (a) Amends Section 531.02013, Government Code, to provide that certain functions are not subject to transfer under Sections 531.0201 (Phase One: Initial Transfers) and 531.02011 (Phase Two: Final Transfers to Commission), including DFPS functions relating to investigations of alleged abuse, neglect, or exploitation occurring at a child-care facililty, as that term is defined in Section 40.042, Human Resources Code.

(b) Prohibits the responsibility for conducting investigations of reports of abuse, neglect, or exploitation occurring at certain facilities defined in Section 40.042, Human Resources Code, as added by this Act, notwithstanding any provision of Subchapter A-1 (Consolidation of Health and Human Services System), Chapter 531 (Health and Human Services Commission), Government Code, or any other law, from being transferred to HHSC and provides that it remains the responsibility of DFPS.

(c) Requires the commissioner, as soon as possible after the effective date of this section, to transfer the responsibility for conducting investigations of reports of abuse, neglect, or exploitation occurring at certain facilities to the child protective services division of DFPS. Requires the commissioner to transfer appropriate investigators and staff as necessary to implement this section.

(d) Effective date of this section: upon passage or the 91st day after the last day of the legislative session.

SECTION 11. (a) Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.0054, as follows:

Sec. 533.0054. HEALTH SCREENING REQUIREMENTS FOR ENROLLEE UNDER STAR HEALTH PROGRAM. (a) Requires an MCO that contracts with HHSC to provide health care services to recipients under the STAR Health program to ensure that enrollees receive certain services in accordance with the requirements specified in the contract between the MCO and HHSC

(b) Requires HHSC to include a provision in a contract with an MCO to provide health care services to recipients under the STAR Health program specifying progressive monetary penalties for the MCO’s failure to comply with Subsection (a).

(b) Requires HHSC, in a contract for the provision of health care services under the STAR Health program between HHSC and an MCO under Chapter 533 (Medicaid Managed Care Program), Government Code, entered into, renewed, or extended on or after the effective date of this section, to require that the MCO comply with Section 533.0054.

(c) Prohibits HHSC from imposing a monetary penalty for noncompliance with a contract provision described by Section 533.0054(b), as added by this section, Government Code, until September 1, 2018.

(d) Requires HHSC, if necessary for implementation of Section 533.0054, Government Code, as added by this section, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 12. (a) Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.0056, as follows:

Sec. 533.0056. STAR HEALTH PROGRAM: NOTIFICATION OF PLACEMENT CHANGE. Requires a contract between an MCO and HHSC for the MCO to provide health care services to recipients under the STAR Health program to require the MCO to ensure continuity of care for a child whose placement has changed by notifying each specialist treating the child of the placement change and coordinating the transition of care from the child's previous treating primary care physician and treating specialists to the child's new treating primary care physician and treating specialists, if any.

(b) Provides that the changes in law made by this section apply only to a contract for the provision of health care services under the STAR Health program between HHSC and an MCO under Chapter 533, Government Code, that is entered into, renewed, or extended on or after the effective date of this section.

(c) Requires HHSC, if necessary for implementation of Section 533.0056, Government Code, as added by this section, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 13. (a) Amends Subchapter B, Chapter 40, Human Resources Code, by adding Sections 40.039, 40.040, 40.041, and 40.042, as follows:

Sec. 40.039. REVIEW OF RECORDS RETENTION POLICY. Requires DFPS to periodically review DFPS's records retention policy with respect to case and intake records relating to DFPS functions. Requires DFPS to make changes to the policy consistent with the records retention schedule submitted under Section 441.185 (Record Retention Schedules), Government Code, that are necessary to improve case prioritization and the routing of cases to the appropriate division of DFPS. Authorizes DFPS to adopt rules necessary to implement this section.

Sec. 40.040. CASE MANAGEMENT VENDOR QUALITY OVERSIGHT AND ASSURANCE DIVISION; MONITORING OF CONTRACT ADHERENCE. (a) Defines "case management," "catchment area," and "community-based care."

(b) Requires DFPS to create within DFPS the case management services vendor quality oversight and assurance division (division). Requires the division to oversee and monitor certain matters.

(c) Requires HHSC to contract with an outside vendor with expertise in quality assurance to develop, in coordination with DFPS, a contract monitoring system and standards for the continuous monitoring of the adherence of a vendor providing foster care services under community-based care to the terms of the contract entered into by the vendor and HHSC. Requires that the standards include performance benchmarks relating to the provision of case management services in the catchment area where the vendor operates.

(d) Requires the division to collect and analyze data comparing outcomes on performance measures between catchment areas where community-based care has been implemented and regions where community-based care has not been implemented.

Sec. 40.041. OFFICE OF DATA ANALYTICS. Requires DFPS to create an office of data analytics (office). Requires the office to report to the deputy commissioner and authorizes the office to perform certain functions, as determined by DFPS.

Sec. 40.042. INVESTIGATIONS OF CHILD ABUSE, NEGLECT, AND EXPLOITATION. (a) Defines "child-care facility.”

(b) Requires DFPS, for all investigations of child abuse or neglect conducted by the child protective services division of DFPS (division), to adopt the definitions of abuse and neglect provided in Section 261.001 (Definitions), Family Code.

(c) Requires DFPS, for all investigations of child exploitation conducted by the division, to adopt the definition of exploitation provided in Section 261.401 (Agency Investigation), Family Code.

(d) Requires DFPS to establish standardized policies to be used during investigations.

(e) Authorizes the commissioner to establish units within the division to specialize in investigating allegations of child abuse and neglect occurring at a child-care facility.

(f) Authorizes DFPS to require that investigators who specialize in allegations of child abuse and neglect occurring at child-care facilities receive ongoing training on the minimum licensing standards for any facilities that are applicable to the investigator’s specialization.

(g) Requires DFPS, after an investigation of abuse, neglect, or exploitation occurring at a child-care facility, to provide the state agency responsible for regulating the facility with access to any information relating to DFPS’s investigation. Provides that providing access to confidential information under this subsection does not constitute a waiver of confidentiality.

(h) Authorizes DFPS to adopt rules to implement this section.

(b) Requires the commissioner, as soon as possible after the effective date of this Act, to establish the office required by Section 40.041, Human Resources Code, as added by this section. Requires the commissioner and the executive commissioner of HHSC to transfer appropriate staff as necessary to conduct the office’s duties.

(c) Requires DFPS to implement the standardized definitions and policies required under Sections 40.042(b), (c), and (d), Human Resources Code, as added by this Act, not later than December 1, 2017.

SECTION 14. (a) Amends Section 40.058(f), Human Resources Code, as follows:

(f) Requires a contract for residential child-care services provided by a general residential operation or by a child-placing agency to include provisions that enable DFPS and HHSC to monitor the effectiveness of the services; specify performance outcomes, financial penalties for failing to meet any specified performance outcomes, and financial incentives for exceeding any specified performance outcomes; authorize DFPS or HHSC to terminate the contract or impose monetary sanctions for a violation of a provision of the contract that specifies performance criteria or for underperformance in meeting any specified performance outcomes; authorize DFPS or HSSC, an agent of DFPS or HSSC, and the state auditor to inspect all books, records, and files maintained by a contractor relating to the contract; and are necessary, as determined by DFPS or HSSC, to ensure accountability for the delivery of services and for the expenditure of public funds.

(b) Requires HHSC, in a contract for residential child-care services between HHSC and a general residential operation or child-placing agency that is entered into on or after the effective date of this section, including a renewal contract, to include the provisions required by Section 40.058(f), Human Resources Code, as amended by this section.

(c) Requires HHSC to seek to amend contracts for residential child-care services entered into with the general residential operations or child-placing agencies before the effective date of this section to include the provisions required by Section 40.058(f), Human Resources Code, as amended by this section.

(d) Prohibits DFPS and HHSC from imposing a financial penalty against a general residential operation or child-placing agency under a contract provision described by Section 40.058(f)(2) or (3), Human Resources Code, as amended by this section, until September 1, 2018.

SECTION 15. (a) Amends Subchapter C, Chapter 40, Human Resources Code, by adding Section 40.0581, as follows:

Sec. 40.0581. PERFORMANCE MEASURES FOR CERTAIN SERVICE PROVIDER CONTRACTS. (a) Requires HHSC, in collaboration with DFPS, to contract with a vendor or enter into an agreement with an IHE to develop, in coordination with DFPS, performance quality metrics for family-based safety services and post-adoption support services providers. Requires that quality metrics be included in each contract with those providers.

(b) Requires each provider whose contract with HHSC to provide DFPS services includes the quality metrics developed under Subsection (a) to prepare and submit to DFPS a quarterly report regarding the provider's performance based on the quality metrics.

(c) Requires the commissioner to compile a summary of all reports prepared and submitted to DFPS by family-based safety services providers and distribute the summary to appropriate family-based safety services caseworkers and child protective services region management once each calendar quarter.

(d) Requires the commissioner to compile a summary of all reports prepared and submitted to DFPS by post-adoption support services providers and distribute the summary to appropriate conservatorship and adoption caseworkers and child protective services region management.

(e) Requires DFPS to make the summaries prepared under Subsections (c) and (d) available to families that are receiving family-based safety services and to adoptive families.

(f) Provides that this section does not apply to a provider that has entered into a contract with HHSC to provide family-based safety services under Section 264.164, Family Code.

(b) Requires the quality metrics required by Section 40.0581, Human Resources Code, as added by this section, to be developed not later than September 1, 2018, and included in certain contracts entered into by HHSC with certain service providers on or after January 1, 2019, except as provided by Section 40.0581(f), Human Resources Code, as added by this section.

SECTION 16. (a) Amends Subchapter C, Chapter 42, Human Resources Code, by adding Section 42.0432, as follows:

Sec. 42.0432. HEALTH SCREENING REQUIREMENTS FOR CHILD PLACED WITH CHILD-PLACING AGENCY. (a) Requires a child-placing agency or general residential operation that contracts with DFPS to provide services to ensure that the children that are in the managing conservatorship of DFPS and are placed with the child-placing agency or general residential operation receive a complete early and periodic screening, diagnosis, and treatment checkup in accordance with the requirements specified in the contract between the child-placing agency or general residential operation and DFPS.

(b) Requires HHSC to include a provision in a contract with a child-placing agency or general residential operation specifying progressive monetary penalties for the child-placing agency's or general residential operation's failure to comply with Subsection (a).

(b) Requires a child-placing agency or general residential operation that contracts to provide services for DFPS to comply with the requirements of Section 42.0432, Human Resources Code, as added by this section, not later than August 31, 2018. Prohibits DFPS and HHSC from imposing a monetary penalty for noncompliance with a contract provision until September 1, 2018.

SECTION 17. Effective date, except as otherwise provided by this Act: September 1, 2017.