

By: Craddick

H.B. No. 1536

Substitute the following for H.B. No. 1536:

By: Hull

C.S.H.B. No. 1536

A BILL TO BE ENTITLED

AN ACT

relating to a rural community-based care pilot program.

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

SECTION 1. Chapter 264, Family Code, is amended by adding Subchapter B-2 to read as follows:

SUBCHAPTER B-2. RURAL COMMUNITY-BASED CARE PILOT PROGRAM

Sec. 264.181. DEFINITIONS. In this subchapter:

(1) "Catchment area" has the meaning assigned by Section 264.152.

(2) "Community-based care" means the provision of child welfare services in accordance with state and federal child welfare goals by a community-based nonprofit or local governmental entity under the pilot program.

(3) "Eligible rural region" means a catchment area for which the department requested but did not receive bids, proposals, or other applicable expressions of interest to implement community-based care under Subchapter B-1 in which at least two-thirds of the counties comprising the area have a population of 50,000 or less.

(4) "Pilot program" means a rural community-based care pilot program implemented under this subchapter.

Sec. 264.182. IMPLEMENTATION OF PILOT PROGRAM. The department, in partnership with a lead entity selected under Section 264.183, shall develop and implement a rural

community-based care pilot program in an eligible rural region to:

(1) implement a community-based model of child welfare services and increase community engagement in the child welfare system;

(2) improve outcomes for children and families by expanding the availability of child welfare services and promoting innovation in the delivery of child welfare services to children and families; and

(3) develop a sustainable, replicable model for the provision of child welfare services in rural areas.

Sec. 264.183. QUALIFICATIONS OF LEAD ENTITY; SELECTION; PROCUREMENT. (a) To enter into a contract with the department to serve as a lead entity to provide services under this subchapter, an entity must be:

(1) a nonprofit entity that has a board of directors composed entirely of residents of the catchment area; or

(2) a local government entity.

(b) In selecting a lead entity, the department shall consider whether a prospective contractor has:

(1) strong community support and partnerships;

(2) demonstrated experience leading collaborative initiatives in the region; and

(3) the capacity to coordinate with local community organizations to serve children and families.

(c) The department shall request local stakeholders in an eligible rural region to provide any necessary information about the region that will assist the department in:

1 (1) preparing the department's request for bids,
2 proposals, or other applicable expressions of interest to provide
3 community-based care in the eligible rural region; and

4 (2) selecting a lead entity to provide community-based
5 care in the eligible rural region.

6 (d) The department's request for bids, proposals, or other
7 applicable expressions of interest to provide community-based care
8 in the eligible rural region may include, in a single request,
9 services to develop the pilot program model and implement the pilot
10 program.

11 (e) Notwithstanding any other law and to address the unique
12 challenges of providing community-based care to rural areas of this
13 state in an efficient manner the department may:

14 (1) procure, as a single procurement, services to
15 develop a pilot program model under Section 264.184(a) and
16 implement the pilot program under Section 264.184(b); and

17 (2) separately procure the services of the independent
18 evaluator under Section 264.194.

19 Sec. 264.184. PILOT PROGRAM MODEL AND IMPLEMENTATION
20 SCHEDULE; AUTHORITY. (a) The department, in partnership with the
21 lead entity, shall develop a pilot program model that includes a
22 timeline, with identified funding, for implementing
23 community-based care in the eligible rural region and that
24 addresses:

25 (1) the following services for families and children:
26 (A) family-based services to ensure child safety
27 and prevent entry into foster care;

1 (B) family preservation services, as defined by
2 Section 262.401;

3 (C) case management;

4 (D) foster care and kinship care services;

5 (E) adoption and post-adoption services;

6 (F) transition services for youth aging out of
7 foster care; and

8 (G) any additional services necessary to meet the
9 needs of children and families in the region;

10 (2) the development of and coordination with a diverse
11 network of service providers, including faith-based organizations,
12 local mental health authorities, and others to ensure comprehensive
13 service delivery;

14 (3) the development and implementation of innovative
15 approaches to improve outcomes for children and families;

16 (4) any identified geographic disparities in service
17 availability and access in the region's child welfare system;

18 (5) the creation and oversight of a quality assurance
19 system; and

20 (6) the implementation of a system to manage financial
21 risks and resources, including state and federal funds.

22 (b) To implement the pilot program model developed under
23 Subsection (a), a lead entity may:

24 (1) develop and implement policies and procedures
25 regarding the provision of community-based care within the scope of
26 applicable law and consistent with department policies and
27 procedures, unless waived under Section 264.189;

1 (2) allocate resources as needed to meet community
2 needs; and

3 (3) enter into contracts with service providers,
4 including contracts for case management services.

5 Sec. 264.185. COMMUNITY ALLIANCE. (a) The department and
6 lead entity shall establish a community alliance or similar group
7 of stakeholders to provide a forum for community participation and
8 governance of community-based care under the pilot program. The
9 department and lead entity shall collaborate with:

10 (1) local families with lived experience in the child
11 welfare system;

12 (2) local representatives from sectors related to the
13 child welfare system, including the judiciary, education, and
14 health care; and

15 (3) other community stakeholders.

16 (b) The duties of the community alliance or similar group of
17 stakeholders described by Subsection (a) shall include:

18 (1) joint planning with the department and lead entity
19 regarding resource utilization in the community, including
20 resources appropriated to the department and any funds provided by
21 local funding sources for that purpose;

22 (2) conducting needs assessments and establishing of
23 community priorities for service delivery;

24 (3) determining community outcome goals to supplement
25 state-required outcomes;

26 (4) serving as a catalyst for community resource
27 development, including:

1 (A) identifying existing programs, services, and
2 assistance available from community- and faith-based
3 organizations;

4 (B) encouraging the development and increased
5 availability of programs, services, and assistance available from
6 community- and faith-based organizations; and

7 (C) informing the department and the lead entity
8 of programs, services, and assistance available from community- and
9 faith-based organizations and working to facilitate the lead
10 entity's use of the available resources;

11 (5) providing for community education and advocacy
12 regarding issues related to delivery of services; and

13 (6) promoting family preservation services.

14 Sec. 264.186. DEVELOPMENT OF FUNDING AND RESOURCES. (a)
15 The department shall seek input from the lead entity regarding the
16 feasibility of a capitated funding model for the provision of
17 services under the pilot program. If the department determines
18 that a capitated funding model is feasible, the department shall
19 develop a capitated funding model that provides a fixed rate of
20 funding per child receiving services under the pilot program.

21 (b) Regardless of whether the department implements a
22 capitated funding model under Subsection (a), the department
23 shall ensure that the funding model for the pilot program:

24 (1) accounts for the additional costs of providing
25 services to geographically dispersed populations in rural areas,
26 including:

27 (A) increased transportation costs;

1 (B) challenges in achieving economies of scale in
2 the provision of services;

3 (C) increased costs for recruiting and retaining
4 qualified staff in rural areas; and

5 (D) costs related to building and maintaining
6 service provider networks in rural areas;

7 (2) includes financial risk-sharing mechanisms;

8 (3) incentivizes desired outcomes and cost savings;

9 (4) supports innovation;

10 (5) allows for the reinvestment of cost savings into
11 the program; and

12 (6) allows the lead entity to flexibly allocate funds
13 within the scope of applicable law.

14 (c) The department shall pursue leveraging various funding
15 sources, including state and federal funds, to implement and
16 sustain the pilot program.

17 Sec. 264.187. DATA MANAGEMENT AND INFORMATION SHARING. (a)
18 The department shall determine the feasibility of implementing an
19 integrated electronic case management system for community-based
20 care provided under the pilot program that:

21 (1) allows for real-time case management;

22 (2) facilitates coordination among service providers;

23 and

24 (3) supports outcome tracking and reporting.

25 (b) Regardless of whether the department implements an
26 integrated electronic case management system, the department
27 shall:

1 (1) provide to the lead entity technical support and
2 access to data as necessary to facilitate implementation of a data
3 management system for effective case management and service
4 coordination;

5 (2) ensure secure and efficient information sharing
6 with stakeholders; and

7 (3) support outcome tracking and reporting through
8 existing or modified systems.

9 (c) The department shall establish protocols related to any
10 data management and information-sharing systems used for the pilot
11 program to ensure:

12 (1) privacy and security of data; and

13 (2) the efficient sharing of information.

14 Sec. 264.188. WORKFORCE DEVELOPMENT. The department, in
15 collaboration with the lead entity, shall incorporate into the
16 pilot program a workforce development plan that includes:

17 (1) strategies that address rural workforce
18 challenges, including strategies for recruiting and retaining
19 child welfare professionals;

20 (2) training programs aligned with best practices in
21 child welfare; and

22 (3) career advancement opportunities.

23 Sec. 264.189. WAIVERS. To implement the pilot program, the
24 lead entity may apply to the commissioner of the department for a
25 waiver from any department policy or procedure that governs the
26 provision of child welfare services. The commissioner shall adopt
27 a procedure for the application for a waiver described by this

1 section.

2 Sec. 264.190. CONFLICT RESOLUTION PROCESS. The department
3 and lead entity shall establish a formal process for resolving
4 conflicts or disputes that arise related to the pilot program.

5 Sec. 264.191. CHANGE ORDER PROCESS. (a) The department
6 shall request any change to the contracted scope of work of the lead
7 entity related to the pilot program in writing. The request must
8 include:

9 (1) a detailed explanation of the proposed change and
10 reasons for the proposed change; and

11 (2) a comprehensive cost analysis for implementing the
12 proposed change that includes:

13 (A) the source of funding for the proposed
14 change; or

15 (B) if funding sufficient to implement the change
16 is not available, an explanation of how existing requirements will
17 be modified for the cost of the proposed change to fit into the
18 existing budget.

19 (b) A change request under this section is subject to
20 negotiation between the lead entity and the department. The lead
21 entity may reject any proposed change that is not adequately funded
22 or substantially alters the provision of community-based care under
23 the contract executed between the department and the entity, unless
24 the change is required by federal or state law or court order or is
25 necessary to ensure child health or safety. In the event of a
26 dispute between the department and the entity regarding a proposed
27 change or the funding for the change, the department and lead entity

1 shall follow the conflict resolution process described by Section
2 264.190.

3 (c) This section may not be construed to limit or restrict
4 the authority of the department to include necessary oversight
5 measures and review processes in a contract under this subchapter
6 to maintain compliance with federal and state requirements. The
7 department retains responsibility for the quality of contracted
8 services and programs and shall ensure that, at a minimum, services
9 are delivered in accordance with applicable state and federal law.

10 (d) A lead entity and its subcontractors must comply with
11 each applicable court order:

12 (1) issued in a suit regarding a child for whom the
13 lead entity or its subcontractors have assumed case management
14 responsibilities; or

15 (2) imposing a requirement on the department that
16 relates to contracted functions assumed by the lead entity or its
17 subcontractors.

18 Sec. 264.192. CONFIDENTIALITY. Subchapter C, Chapter 261,
19 of this code and Chapter 552, Government Code, apply to the records
20 of a lead entity or its subcontractors that relate to the provision
21 of community-based care under the pilot program in the same manner
22 as the records of the department.

23 Sec. 264.193. PRIVILEGED COMMUNICATION. The lead entity
24 and its employees, agents, and representatives are client's
25 representatives of the department for purposes of the
26 attorney-client privilege under Rule 503, Texas Rules of Evidence,
27 as that privilege applies to communications with a prosecuting

attorney or other attorney representing the department or that attorney's representative in a proceeding under this subtitle.

Sec. 264.194. POST-IMPLEMENTATION INDEPENDENT EVALUATION.

(a) The department shall contract with an independent evaluator with expertise in child welfare and the delivery of child welfare services in rural areas to conduct a comprehensive evaluation of the pilot program. The department shall consult with the lead entity and the entities described by Section 264.185(a) when selecting the independent evaluator.

(b) The independent evaluator shall assess:

(1) the outcomes for children and families receiving services under the program;

(2) the cost-effectiveness of the program;

(3) the effectiveness of the community-based care approach to providing child welfare services in rural areas;

(4) community engagement and satisfaction with the program;

(5) program implementation fidelity; and

(6) any systemic changes made in provision of child welfare services in the region under the program.

(c) The department and the lead entity shall cooperate with the evaluation process and provide the independent evaluator all necessary data and information to conduct the evaluation required by this section.

(d) The department, lead entity, and entities described by Section 264.185(a) shall review the independent evaluator's findings under Subsection (b) and develop an action plan to address

1 any areas for improvement identified by the independent evaluator.

2 Sec. 264.195. PROGRAM DEVELOPMENT REPORT. Not later than
3 January 1, 2027, the department shall submit a report to the
4 legislature regarding the pilot program model developed under this
5 subchapter. The department shall implement the pilot program only
6 if the pilot program is sufficiently funded.

7 Sec. 264.196. ANNUAL IMPLEMENTATION REPORT. Not later than
8 December 1, 2028, and annually thereafter, the department shall
9 submit a report to the legislature relating to the implementation
10 of the pilot program that includes:

11 (1) the findings of the independent evaluator under
12 Section 264.194, if applicable, including any recommendations from
13 the independent evaluator for improving and expanding the pilot
14 program;

15 (2) information about each denied waiver under Section
16 264.189, including the reason for denial; and

17 (3) a detailed account of each agreed-upon change
18 order under Section 264.191 that includes an explanation of:

19 (A) the change and the reason for the change; and

20 (B) the cost of funding the change and how the
21 cost was addressed.

22 Sec. 264.197. RULEMAKING. The department may adopt rules
23 necessary to implement this subchapter.

24 Sec. 264.198. PROGRAM REVIEW; EXPIRATION. (a) Not later
25 than September 1, 2031, the legislature shall review the outcomes
26 and effectiveness of the pilot program to determine whether to
27 extend, modify, or conclude the program.

1 (b) This subchapter expires September 1, 2031.
2 SECTION 2. This Act takes effect September 1, 2025.