

BILL ANALYSIS

C.S.S.B. 277
By: Schwertner
Human Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that currently there are a number of health-related task forces and advisory committees that are no longer needed, inactive, or have fulfilled their purpose. C.S.S.B. 277 seeks to abolish these unnecessary task forces and advisory committees and provide a more streamlined approach for establishing and operating health and human services task forces and advisory committees.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTIONS 2.02 and 2.08 of this bill.

ANALYSIS

Article 1 Provisions

C.S.S.B. 277 abolishes the interagency task force on electronic benefits transfers, the Medicaid and Public Assistance Fraud Oversight Task Force, the advisory committee on inpatient mental health services, the interagency task force on the inspection of licensed day-care centers, licensed group day-care homes, and registered family homes, the local authority network advisory committee, the Worksite Wellness Advisory Board, the sickle cell advisory committee, the arthritis advisory committee, the advisory panel on health care-associated infections and preventable adverse events, the youth camp training advisory committee, the drug demand reduction advisory committee, and the Texas medical child abuse resources and education system (MEDCARES) advisory committee and repeals provisions of the Education Code, Government Code, Health and Safety Code, and Human Resources Code relating to each such task force and advisory committee.

C.S.S.B. 277 amends the Human Resources Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, to change the entity whose advice the comptroller of public accounts may solicit regarding certain electronic benefits transfer enforcement actions from the Medicaid and Public Assistance Fraud Oversight Task Force to the office of the inspector general. The bill specifies that the inspection checklist required to be used by each state agency inspecting licensed day-care centers, licensed group day-care homes, or registered family homes is established by the Department of Family and Protective Services.

C.S.S.B. 227 amends the Government Code to transfer certain duties of the Worksite Wellness Advisory Board relating to the state employee wellness program to the Department of State Health Services.

C.S.S.B. 277 makes the Article 1 provisions effective September 1, 2015.

Article 2 Provisions

C.S.S.B. 277, effective January 1, 2016, abolishes the advisory committee on Medicaid and child health plan program rate and expenditure disparities, the Advisory Committee on Qualifications for Health Care Translators and Interpreters, the Behavioral Health Integration Advisory Committee, the Consumer Direction Work Group, the Council on Children and Families, the Electronic Health Information Exchange System Advisory Committee, the Guardianship Advisory Board, the hospital payment advisory committee, the Interagency Coordinating Council for HIV and Hepatitis, the Medicaid and CHIP Quality-Based Payment Advisory Committee, each Medicaid managed care advisory committee appointed for a health care service region under certain Government Code provisions, the Public Assistance Health Benefit Review and Design Committee, the renewing our communities account advisory committee, the STAR + PLUS Nursing Facility Advisory Committee, the STAR + PLUS Quality Council, the state Medicaid managed care advisory committee, the task force on domestic violence, the Interagency Task Force for Children With Special Needs, the telemedicine and telehealth advisory committee, the board of directors of the Texas Institute of Health Care Quality and Efficiency, the Texas System of Care Consortium, the Texas Traumatic Brain Injury Advisory Council, and the volunteer advocate program advisory committee. The bill amends provisions of the Family Code, Government Code, Health and Safety Code, Human Resources Code, and Insurance Code and repeals provisions of the Government Code, Health and Safety Code, and Human Resources Code relating to the abolishment of each such entity.

C.S.S.B. 277 amends the Government Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, to remove the discretion of the executive commissioner of the Health and Human Services Commission (HHSC) to appoint advisory committees as needed. The bill requires the executive commissioner to instead establish and maintain advisory committees to consider issues and solicit public input across all major areas of the health and human services system and sets out issues that are included in such consideration. The bill applies statutory provisions relating to state agency advisory committees to such an advisory committee established by the executive commissioner. The bill requires the executive commissioner to adopt rules in compliance with those statutory provisions to govern an advisory committee's purpose, tasks, reporting requirements, and date of abolition and to adopt rules relating to an advisory committee's size and quorum requirements, membership, and duty to comply with state open meetings requirements. The bill requires such an advisory committee to report any recommendations to the executive commissioner and to submit a written report to the legislature of any policy recommendations made to the executive commissioner. The bill, effective September 1, 2015, requires the executive commissioner to adopt the rules not later than March 1, 2016.

C.S.S.B. 277 requires HHSC to create a master calendar that includes all meetings of advisory committees established by the executive commissioner under the bill's provisions across the health and human services system. The bill requires HHSC to make available on the HHSC website the master calendar, all meeting materials for an advisory committee meeting, and streaming live video of each advisory committee meeting. The bill requires HHSC to provide Internet access in each room used for a meeting that appears on the master calendar.

C.S.S.B. 277 establishes the Drug Utilization Review Board and requires the board, in addition to performing any other duties required by federal law, to develop and submit to HHSC recommendations for preferred drug lists adopted by HHSC for the Medicaid vendor drug program and for prescription drugs purchased through the child health plan program, to suggest to HHSC restrictions or clinical edits on prescription drugs, to recommend to HHSC educational interventions for Medicaid providers, to review drug utilization across Medicaid, and to perform other duties that may be specified by law and otherwise make recommendations to HHSC. The bill requires the executive commissioner to determine the composition of the board and sets out provisions relating to composition requirements, member authorizations and restrictions, member terms, election of a presiding officer, and public meetings and executive sessions. The bill requires the executive commissioner by rule to develop and implement a process by which a

person may apply to become a member of the board and to post the application and information regarding the application process on the HHSC website.

C.S.S.B. 277 requires the Drug Utilization Review Board, in developing its recommendations for the preferred drug lists, to consider the clinical efficacy, safety, and cost-effectiveness of and any program benefit associated with a product. The bill requires the executive commissioner to adopt rules governing the operation of the board and to require by rule the board or the board's designee to present a summary of any clinical efficacy and safety information or analyses regarding a drug under consideration for a preferred drug list that is provided to the board by a private entity that has contracted with HHSC to provide the information. The bill sets out summary requirements. The bill requires the board, to the extent feasible, to review all drug classes included in the preferred drug lists adopted by HHSC at least once every 12 months and authorizes the board to recommend inclusions to and exclusions from the lists for specified purposes. The bill requires HHSC to provide administrative support and resources as necessary for the board to perform its duties and establishes that statutory provisions relating to state agency advisory committees do not apply to the board. The bill requires HHSC or an HHSC agent to publicly disclose, immediately after the board's deliberations conclude, each specific drug recommended for or against preferred drug list status for each drug class included in the preferred drug list for the Medicaid vendor drug program and sets out disclosure requirements.

C.S.S.B. 277 revises statutory provisions relating to conflicts of interest regarding the Medicaid Drug Utilization Review Program to prohibit a voting member of the Drug Utilization Review Board from having certain conflicts of interest with a pharmaceutical manufacturer or labeler or with an entity engaged by HHSC to assist in the development of the preferred drug lists or in the administration of the program. The bill repeals a statutory provision relating to the establishment and operation of the Pharmaceutical and Therapeutics Committee and transfers to the Drug Utilization Review Board certain duties of that committee relating to preferred drug lists, prior authorization for certain prescription drugs, and the publication of information regarding HHSC decisions on preferred drug list placement.

C.S.S.B. 277 establishes that the term of a member serving on the Medicaid Drug Utilization Review Board on January 1, 2016, expires on February 29, 2016. The bill requires the executive commissioner, not later than March 1, 2016, to appoint the initial members to the Drug Utilization Review Board in accordance with the bill's provisions for terms beginning March 1, 2016. The bill requires the executive commissioner, in making the initial appointments, to designate as close to one-half as possible of the members to serve for terms expiring March 1, 2018, and the remaining members to serve for terms expiring March 1, 2020. The bill requires the executive commissioner, not later than February 1, 2016, and before making the initial appointments, to adopt and implement the application process required under the bill's provisions. The bill requires the executive commissioner, not later than May 1, 2016, to adopt or amend rules as necessary to reflect the changes made to the Drug Utilization Review Board.

C.S.S.B. 277 establishes that the interagency task force on ensuring appropriate care settings for persons with disabilities is abolished September 1, 2017. The bill establishes that the statutory provision requiring HHSC to seek ongoing input from the Children's Policy Council regarding establishment and implementation of the STAR Kids Medicaid managed care program expires on the date the council is abolished. The bill changes the date on which the STAR Kids Managed Care Advisory Committee is abolished and statutory provisions relating to the committee expire from September 1, 2016, to the first anniversary of the date HHSC completes implementation of the STAR Kids Medicaid managed care program. The bill changes the date on which the Intellectual and Developmental Disability System Redesign Advisory Committee is abolished and statutory provisions relating to the committee expire from January 1, 2024, to the one-year anniversary of the date HHSC completes implementation of the transition of ICF-IID program recipients and certain other Medicaid waiver program recipients to a managed care program.

C.S.S.B. 277 removes the requirement that HHSC provide administrative support to the interagency coordinating group for faith- and community-based initiatives and the Texas Nonprofit Council and instead requires certain state agencies to provide administrative support to such entities as coordinated by the presiding officer of the interagency coordinating group. The

bill establishes that service on the interagency coordinating group is an additional duty of the office or position held by each person designated as a liaison. The bill revises statutory provisions relating to the composition of the Texas Nonprofit Council and requires the governor, rather than the executive commissioner, to appoint its members.

C.S.S.B. 277 amends the Health and Safety Code to remove a requirement that each state agency represented on the board of the Texas Institute of Health Care Quality and Efficiency provide funds to support the institute and implement statutory provisions governing the institute and instead requires the following state agencies and systems to provide such funds: the Department of State Health Services, HHSC, the Texas Department of Insurance, the Employees Retirement System of Texas, the Teacher Retirement System of Texas, the Texas Medical Board, the Department of Aging and Disability Services, the Texas Workforce Commission, the Texas Higher Education Coordinating Board, and each state agency or system of higher education that purchases or provides health care services, as determined by the governor.

C.S.S.B. 277 amends the Human Resources Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, to establish that the Children's Policy Council is abolished and statutory provisions relating to the council expire September 1, 2017. The bill includes a representative of a managed care organization as a member of the medical care advisory committee and requires the executive commissioner, not later than January 1, 2016, to appoint this additional member.

C.S.S.B. 277 amends the Insurance Code to make conforming changes.

C.S.S.B. 227 makes the Article 2 provisions effective January 1, 2016, except as otherwise provided.

Procedural Provisions and Repealed Provisions

C.S.S.B. 277, effective September 1, 2015, requires the executive commissioner, not later than November 1, 2015, to publish in the Texas Register a list of the new advisory committees established or to be established as a result the bill's provisions and a list that identifies the advisory committees abolished by the bill on January 1, 2016, that will not be continued in any form or whose functions will be assumed by a new advisory committee established under the bill's provisions. The bill requires the executive commissioner to ensure that an advisory committee established under the bill's provisions begins operations immediately on its establishment to ensure ongoing public input and engagement. The bill requires HHSC to take custody of the property, records, or other assets of an entity abolished by the bill.

C.S.S.B. 277, effective September 1, 2015, repeals the following provisions, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015:

- Section 531.045, Government Code
- Section 531.107, Government Code
- Section 571.027, Health and Safety Code
- Section 42.0442(b), Human Resources Code
- Section 533.0351, Health and Safety Code
- Sections 664.051(1), 664.054, 664.055, 664.056, 664.057, 664.059, and 664.060(c) and (f), Government Code
- Section 33.053, Health and Safety Code
- Section 97.007, Health and Safety Code
- Sections 98.001(1) and 98.002, Health and Safety Code
- Subchapter B, Chapter 98, Health and Safety Code
- Section 141.0096, Health and Safety Code

- Subchapter F, Chapter 461A, Health and Safety Code
- Section 7.030, Education Code
- Section 1001.153, Health and Safety Code

C.S.S.B. 277, effective January 1, 2016, repeals the following provisions, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015:

- Section 531.074, Government Code
- Section 531.0217(j), Government Code
- Section 531.02172, Government Code
- Section 531.02173(c), Government Code
- Section 531.052, Government Code
- Section 531.0571, Government Code
- Section 531.068, Government Code
- Sections 531.121(1), (5), and (6), Government Code
- Section 531.122, Government Code
- Section 531.123, Government Code
- Section 531.1235, Government Code
- Section 531.251, Government Code
- Subchapters R and T, Chapter 531, Government Code
- Section 531.904, Government Code
- Section 533.00251(a)(1), Government Code
- Section 533.00252, Government Code
- Sections 533.00255(e) and (f), Government Code
- Section 533.00285, Government Code
- Subchapters B and C, Chapter 533, Government Code
- Section 535.055(f), Government Code
- Section 535.108, Government Code
- Section 536.001(1), Government Code
- the heading to Section 536.002, Government Code
- Sections 536.002(a) and (c), Government Code
- Section 536.002(b), as amended by Article 1 of the bill
- Section 536.007(b), Government Code
- Subchapter C, Chapter 32, Health and Safety Code
- Section 62.151(e), Health and Safety Code
- Section 62.1571(c), Health and Safety Code
- Section 81.010, Health and Safety Code
- Section 92.011, Health and Safety Code
- Subchapter B, Chapter 92, Health and Safety Code
- Chapter 115, Health and Safety Code
- Section 1002.001(1), Health and Safety Code
- Section 1002.051, Health and Safety Code
- Section 1002.052, Health and Safety Code
- Section 1002.053, Health and Safety Code
- Section 1002.055, Health and Safety Code
- Section 1002.056, Health and Safety Code
- Section 1002.057, Health and Safety Code
- Section 1002.058, Health and Safety Code
- Section 1002.059, Health and Safety Code
- Section 32.022(e), Human Resources Code

EFFECTIVE DATE

Except as otherwise provided, September 1, 2015.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 277 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill and does not indicate differences relating to changes made by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, which became effective April 2, 2015.

ENGROSSED

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

ARTICLE 1. CHANGES TO ENTITIES EFFECTIVE SEPTEMBER 1, 2015

SECTION 1. (a) The Interagency Task Force on Electronic Benefits Transfers is abolished.
(b) Section 531.045, Government Code, is repealed.

SECTION 1.01. (a) The Interagency Task Force on Electronic Benefits Transfers is abolished.
(b) Section 531.045, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 2. (a) The Medicaid and Public Assistance Fraud Oversight Task Force is abolished.
(b) Section 22.028(c), Human Resources Code, is amended to read as follows:

SECTION 1.02. (a) The Medicaid and Public Assistance Fraud Oversight Task Force is abolished.
(b) Section 22.028(c), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) No later than the first day of each month, the department shall send the comptroller a report listing the accounts on which enforcement actions or other steps were taken by the department in response to the records received from the EBT operator under this section, and the action taken by the department. The comptroller shall promptly review the report and, as appropriate, may solicit the advice of the office of the inspector general [~~Medicaid and Public Assistance Fraud Oversight Task Force~~] regarding the results of the department's enforcement actions.
(c) Section 531.107, Government Code, is repealed.

(c) No later than the first day of each month, the commission shall send the comptroller a report listing the accounts on which enforcement actions or other steps were taken by the commission in response to the records received from the EBT operator under this section, and the action taken by the commission. The comptroller shall promptly review the report and, as appropriate, may solicit the advice of the office of the inspector general [~~Medicaid and Public Assistance Fraud Oversight Task Force~~] regarding the results of the commission's enforcement actions.
(c) Section 531.107, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 3. (a) The Advisory Committee on Inpatient Mental Health Services is abolished.
(b) Section 571.027, Health and Safety Code, is repealed.

SECTION 1.03. (a) The Advisory Committee on Inpatient Mental Health Services is abolished.
(b) Section 571.027, Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 4. (a) The Interagency Inspection Task Force is abolished.

(b) Section 42.0442(c), Human Resources Code, is amended to read as follows:

(c) ~~[The interagency task force shall establish an inspection checklist based on the inspection protocol developed under Subsection (b).]~~ Each state agency that inspects a facility listed in Subsection (a) shall use an ~~[the]~~ inspection checklist established by the department in performing an inspection. A state agency shall make a copy of the completed inspection checklist available to the facility at the facility's request to assist the facility in maintaining records.

(c) Section 42.0442(b), Human Resources Code, is repealed.

No equivalent provision.

No equivalent provision.

SECTION 1.04. (a) The Interagency Inspection Task Force is abolished.

(b) Section 42.0442(c), Human Resources Code, is amended to read as follows:

(c) ~~[The interagency task force shall establish an inspection checklist based on the inspection protocol developed under Subsection (b).]~~ Each state agency that inspects a facility listed in Subsection (a) shall use an ~~[the]~~ inspection checklist established by the department in performing an inspection. A state agency shall make a copy of the completed inspection checklist available to the facility at the facility's request to assist the facility in maintaining records.

(c) Section 42.0442(b), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.05. (a) The local authority network advisory committee is abolished.

(b) Section 533.0359(a), Health and Safety Code, is amended to read as follows:

(a) In developing rules governing local mental health authorities under Sections 533.035, ~~[533.0351,]~~ 533.03521, 533.0357, and 533.0358, the executive commissioner shall use rulemaking procedures under Subchapter B, Chapter 2001, Government Code.

(c) Section 533.0351, Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

SECTION 1.06. (a) The Worksite Wellness Advisory Board is abolished.

(b) Section 664.052, Government Code, is amended to read as follows:

Sec. 664.052. RULES. The executive commissioner shall adopt rules for the administration of this subchapter~~;~~ ~~including rules prescribing the frequency and location of board meetings~~].

(c) Section 664.058, Government Code, is amended to read as follows:

Sec. 664.058. DONATIONS. The department ~~[board]~~ may receive in-kind and monetary gifts, grants, and donations from public and private donors to be used for the purposes of this subchapter.

(d) Section 664.061(a), Government

Code, is amended to read as follows:

- (a) A state agency may:
 - (1) allow each employee 30 minutes during normal working hours for exercise three times each week;
 - (2) allow all employees to attend on-site wellness seminars when offered;
 - (3) provide eight hours of additional leave time each year to an employee who:
 - (A) receives a physical examination; and
 - (B) completes either an online health risk assessment tool provided by the department [~~board~~] or a similar health risk assessment conducted in person by a worksite wellness coordinator;
 - (4) provide financial incentives, notwithstanding Section 2113.201, for participation in a wellness program developed under Section 664.053(e) after the agency establishes a written policy with objective criteria for providing the incentives;
 - (5) offer on-site clinic or pharmacy services in accordance with Subtitles B and J, Title 3, Occupations Code, including the requirements regarding delegation of certain medical acts under Chapter 157, Occupations Code; and
 - (6) adopt additional wellness policies, as determined by the agency.
- (e) Sections 664.051(1), 664.054, 664.055, 664.056, 664.057, 664.059, and 664.060(c) and (f), Government Code, are repealed.

No equivalent provision.

- SECTION 1.07. (a) The Sick Cell Advisory Committee is abolished.
- (b) Section 33.052, Health and Safety Code, is amended to read as follows:
Sec. 33.052. DUTIES OF DEPARTMENT. The department shall[;]
[~~(1)~~] identify efforts related to the expansion and coordination of education, treatment, and continuity of care programs for individuals with sickle cell trait and sickle cell disease[;]
[~~(2)~~] ~~assist the advisory committee created under Section 33.053; and~~
[~~(3)~~] ~~provide the advisory committee created under Section 33.053 with staff support necessary for the advisory committee to fulfill its duties].~~
- (c) Section 33.053, Health and Safety Code, is repealed.

No equivalent provision.

SECTION 1.08. (a) The Arthritis Advisory Committee is abolished.
(b) Section 97.007, Health and Safety Code, is repealed.

No equivalent provision.

SECTION 1.09. (a) The Advisory Panel on Health Care-Associated Infections and Preventable Adverse Events is abolished.

(b) Section 536.002(b), Government Code, is amended to read as follows:

(b) The executive commissioner shall appoint the members of the advisory committee. The committee must consist of physicians and other health care providers, representatives of health care facilities, representatives of managed care organizations, and other stakeholders interested in health care services provided in this state, including:

(1) at least one member who is a physician with clinical practice experience in obstetrics and gynecology;

(2) at least one member who is a physician with clinical practice experience in pediatrics;

(3) at least one member who is a physician with clinical practice experience in internal medicine or family medicine;

(4) at least one member who is a physician with clinical practice experience in geriatric medicine;

(5) at least three members who are or who represent a health care provider that primarily provides long-term services and supports; and

(6) at least one member who is a consumer representative[; ~~and~~

~~[(7) at least one member who is a member of the Advisory Panel on Health Care-Associated Infections and Preventable Adverse Events who meets the qualifications prescribed by Section 98.052(a)(4), Health and Safety Code].~~

(c) The heading to Subchapter C, Chapter 98, Health and Safety Code, is amended to read as follows:

SUBCHAPTER C. DUTIES OF DEPARTMENT ~~[AND ADVISORY PANEL];~~ REPORTING SYSTEM

(d) Section 98.1045(b), Health and Safety Code, is amended to read as follows:

(b) The executive commissioner may exclude an adverse event described by Subsection (a)(2) from the reporting requirement of Subsection (a) if the

executive commissioner [~~in consultation with the advisory panel,~~] determines that the adverse event is not an appropriate indicator of a preventable adverse event.

(e) Section 98.105, Health and Safety Code, is amended to read as follows:

Sec. 98.105. REPORTING SYSTEM MODIFICATIONS. The [~~Based on the recommendations of the advisory panel, the~~] executive commissioner by rule may modify in accordance with this chapter the list of procedures that are reportable under Section 98.103. The modifications must be based on changes in reporting guidelines and in definitions established by the federal Centers for Disease Control and Prevention.

(f) Section 98.106(c), Health and Safety Code, is amended to read as follows:

(c) The [~~In consultation with the advisory panel, the~~] department shall publish the departmental summary in a format that is easy to read.

(g) Section 98.108(a), Health and Safety Code, is amended to read as follows:

(a) The [~~In consultation with the advisory panel, the~~] executive commissioner by rule shall establish the frequency of reporting by health care facilities required under Sections 98.103 and 98.1045.

(h) The following provisions are repealed:

(1) Sections 98.001(1) and 98.002, Health and Safety Code; and

(2) Subchapter B, Chapter 98, Health and Safety Code.

No equivalent provision.

SECTION 1.10. (a) The Youth Camp Training Advisory Committee is abolished.

(b) Section 141.0095(d), Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(d) In accordance with this section [~~and the criteria and guidelines developed by the training advisory committee established under Section 141.0096~~], the executive commissioner by rule shall establish criteria and guidelines for training and examination programs on sexual abuse and child molestation. The department may approve training and examination programs offered by trainers under contract with youth camps

or by online training organizations or may approve programs offered in another format authorized by the department.

(c) Section 141.0096, Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

No equivalent provision.

SECTION 1.11. (a) The Drug Demand Reduction Advisory Committee is abolished.

(b) Subchapter F, Chapter 461A, Health and Safety Code, as added by S.B. No. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

(c) Section 7.030, Education Code, is repealed.

No equivalent provision.

SECTION 1.12. (a) The Texas Medical Child Abuse Resources and Education System (MEDCARES) Advisory Committee is abolished.

(b) Section 1001.155, Health and Safety Code, as added by Chapter 1238 (S.B. 2080), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

Sec. 1001.155. REQUIRED REPORT. Not later than December 1 of each even-numbered year, the department [~~with the assistance of the advisory committee established under this subchapter,~~] shall submit a report to the governor and the legislature regarding the grant activities of the program and grant recipients, including the results and outcomes of grants provided under this subchapter.

(c) Section 1001.153, Health and Safety Code, as added by Chapter 1238 (S.B. 2080), Acts of the 81st Legislature, Regular Session, 2009, is repealed.

No equivalent provision.

ARTICLE 2. CHANGES TO ENTITIES EFFECTIVE JANUARY 1, 2016

No equivalent provision.

SECTION 2.01. Section 262.353(d), Family Code, is amended to read as follows:

(d) Not later than September 30, 2014, the department and the Department of State Health Services shall file a report with the legislature [~~and the Council on Children and Families~~] on the results of the study required by Subsection (a). The report must include:

(1) each option to prevent

- relinquishment of parental custody that was considered during the study;
- (2) each option recommended for implementation, if any;
- (3) each option that is implemented using existing resources;
- (4) any policy or statutory change needed to implement a recommended option;
- (5) the fiscal impact of implementing each option, if any;
- (6) the estimated number of children and families that may be affected by the implementation of each option; and
- (7) any other significant information relating to the study.

No equivalent provision.

SECTION 2.02. (a) Section 531.012, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.012. **ADVISORY COMMITTEES.** (a) The executive commissioner shall establish and maintain [may—appoint] advisory committees to consider issues and solicit public input across all major areas of the health and human services system, including relating to the following issues:

- (1) Medicaid and other social services programs;
- (2) managed care under Medicaid and the child health plan program;
- (3) health care quality initiatives;
- (4) aging;
- (5) persons with disabilities, including persons with autism;
- (6) rehabilitation, including for persons with brain injuries;
- (7) children;
- (8) public health;
- (9) behavioral health;
- (10) regulatory matters;
- (11) protective services; and
- (12) prevention efforts.

(b) Chapter 2110 applies to an advisory committee established under this section.

(c) The executive commissioner shall adopt rules:

- (1) in compliance with Chapter 2110 to govern an advisory committee's purpose, tasks, reporting requirements, and date of abolition; and
- (2) related to an advisory committee's:
 - (A) size and quorum requirements;
 - (B) membership, including:

- (i) qualifications to be a member, including any experience requirements;
- (ii) required geographic representation;
- (iii) appointment procedures; and
- (iv) terms of members; and

(C) duty to comply with the requirements for open meetings under Chapter 551.

(d) An advisory committee established under this section shall:

(1) report any recommendations to the executive commissioner; and

(2) submit a written report to the legislature of any policy recommendations made to the executive commissioner under Subdivision (1) [as needed].

(b) Not later than March 1, 2016, the executive commissioner of the Health and Human Services Commission shall adopt rules under Section 531.012, Government Code, as amended by this article. This subsection takes effect September 1, 2015.

No equivalent provision.

SECTION 2.03. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0121 to read as follows:

Sec. 531.0121. PUBLIC ACCESS TO ADVISORY COMMITTEE MEETINGS. (a) This section applies to an advisory committee established under Section 531.012.

(b) The commission shall create a master calendar that includes all advisory committee meetings across the health and human services system.

(c) The commission shall make available on the commission's Internet website:

(1) the master calendar;

(2) all meeting materials for an advisory committee meeting; and

(3) streaming live video of each advisory committee meeting.

(d) The commission shall provide Internet access in each room used for a meeting that appears on the master calendar.

No equivalent provision.

SECTION 2.04. Section 531.0216(b), Government Code, is amended to read as follows:

(b) In developing the system, the executive commissioner by rule shall:

(1) review programs and pilot projects in other states to determine the most

- effective method for reimbursement;
- (2) establish billing codes and a fee schedule for services;
- (3) provide for an approval process before a provider can receive reimbursement for services;
- (4) consult with the Department of State Health Services [~~and the telemedicine and telehealth advisory committee~~] to establish procedures to:
 - (A) identify clinical evidence supporting delivery of health care services using a telecommunications system; and
 - (B) annually review health care services, considering new clinical findings, to determine whether reimbursement for particular services should be denied or authorized;
- (5) establish a separate provider identifier for telemedicine medical services providers, telehealth services providers, and home telemonitoring services providers; and
- (6) establish a separate modifier for telemedicine medical services, telehealth services, and home telemonitoring services eligible for reimbursement.

No equivalent provision.

SECTION 2.05. Section 531.02441(j), Government Code, is amended to read as follows:

- (j) The task force is abolished and this [~~This~~] section expires September 1, 2017.

No equivalent provision.

SECTION 2.06. Section 531.051(c), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) In adopting rules for the consumer direction models, the executive commissioner shall:

- (1) [~~with assistance from the work group established under Section 531.052,~~] determine which services are appropriate and suitable for delivery through consumer direction;
- (2) ensure that each consumer direction model is designed to comply with applicable federal and state laws;
- (3) maintain procedures to ensure that a potential consumer or the consumer's legally authorized representative has adequate and appropriate information, including the responsibilities of a consumer or representative under each

service delivery option, to make an informed choice among the types of consumer direction models;

(4) require each consumer or the consumer's legally authorized representative to sign a statement acknowledging receipt of the information required by Subdivision (3);

(5) maintain procedures to monitor delivery of services through consumer direction to ensure:

(A) adherence to existing applicable program standards;

(B) appropriate use of funds; and

(C) consumer satisfaction with the delivery of services;

(6) ensure that authorized program services that are not being delivered to a consumer through consumer direction are provided by a provider agency chosen by the consumer or the consumer's legally authorized representative; and

(7) ~~[work in conjunction with the work group established under Section 531.052 to]~~ set a timetable to complete the implementation of the consumer direction models.

No equivalent provision.

SECTION 2.07. Section 531.067, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.067. PROGRAM TO IMPROVE AND MONITOR CERTAIN OUTCOMES OF RECIPIENTS UNDER CHILD HEALTH PLAN PROGRAM AND MEDICAID ~~[PUBLIC ASSISTANCE HEALTH BENEFIT REVIEW AND DESIGN COMMITTEE]~~. ~~The [(a) The commission shall appoint a Public Assistance Health Benefit Review and Design Committee. The committee consists of nine representatives of health care providers participating in Medicaid or the child health plan program, or both. The committee membership must include at least three representatives from each program.~~ ~~[(b) The executive commissioner shall designate one member to serve as presiding officer for a term of two years.~~ ~~[(c) The committee shall meet at the call of the presiding officer.~~ ~~[(d) The committee shall review and provide recommendations to the~~

~~commission regarding health benefits and coverages provided under Medicaid, the child health plan program, and any other income-based health care program administered by the commission or a health and human services agency. In performing its duties under this subsection, the committee must:~~

~~[(1) review benefits provided under each of the programs; and~~

~~[(2) review procedures for addressing high utilization of benefits by recipients.~~

~~[(e) The commission shall provide administrative support and resources as necessary for the committee to perform its duties under this section.~~

~~[(f) Section 2110.008 does not apply to the committee.~~

~~[(g) In performing the duties under this section, the] commission may design and implement a program to improve and monitor clinical and functional outcomes of a recipient of services under Medicaid or the state child health plan program. The program may use financial, clinical, and other criteria based on pharmacy, medical services, and other claims data related to Medicaid or the child health plan program. [The commission must report to the committee on the fiscal impact, including any savings associated with the strategies utilized under this section.]~~

No equivalent provision.

SECTION 2.08. (a) Section 531.0691, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is redesignated as Section 531.0735, Government Code, to read as follows:

Sec. 531.0735 [531.0691]. MEDICAID DRUG UTILIZATION REVIEW PROGRAM: DRUG USE REVIEWS AND ANNUAL REPORT. (a) In this section:

(1) "Medicaid Drug Utilization Review Program" means the program operated by the vendor drug program to improve the quality of pharmaceutical care under Medicaid.

(2) "Prospective drug use review" means the review of a patient's drug therapy and prescription drug order or medication order before dispensing or distributing a drug to the patient.

(3) "Retrospective drug use review" means the review of prescription drug claims data to identify patterns of

prescribing.

(b) The commission shall provide for an increase in the number and types of retrospective drug use reviews performed each year under the Medicaid Drug Utilization Review Program, in comparison to the number and types of reviews performed in the state fiscal year ending August 31, 2009.

(c) In determining the number and types of drug use reviews to be performed, the commission shall:

(1) allow for the repeat of retrospective drug use reviews that address ongoing drug therapy problems and that, in previous years, improved client outcomes and reduced Medicaid spending;

(2) consider implementing disease-specific retrospective drug use reviews that address ongoing drug therapy problems in this state and that reduced Medicaid prescription drug use expenditures in other states; and

(3) regularly examine Medicaid prescription drug claims data to identify occurrences of potential drug therapy problems that may be addressed by repeating successful retrospective drug use reviews performed in this state and other states.

(d) In addition to any other information required by federal law, the commission shall include the following information in the annual report regarding the Medicaid Drug Utilization Review Program:

(1) a detailed description of the program's activities; and

(2) estimates of cost savings anticipated to result from the program's performance of prospective and retrospective drug use reviews.

(e) The cost-saving estimates for prospective drug use reviews under Subsection (d) must include savings attributed to drug use reviews performed through the vendor drug program's electronic claims processing system and clinical edits screened through the prior authorization system implemented under Section 531.073.

(f) The commission shall post the annual report regarding the Medicaid Drug Utilization Review Program on the commission's website.

(b) Subchapter B, Chapter 531, Government Code, is amended by

adding Section 531.0736 to read as follows:

Sec. 531.0736. DRUG UTILIZATION REVIEW BOARD. (a) In this section, "board" means the Drug Utilization Review Board.

(b) In addition to performing any other duties required by federal law, the board shall:

(1) develop and submit to the commission recommendations for preferred drug lists adopted by the commission under Section 531.072;

(2) suggest to the commission restrictions or clinical edits on prescription drugs;

(3) recommend to the commission educational interventions for Medicaid providers;

(4) review drug utilization across Medicaid; and

(5) perform other duties that may be specified by law and otherwise make recommendations to the commission.

(c) The executive commissioner shall determine the composition of the board, which must:

(1) comply with applicable federal law, including 42 C.F.R. Section 456.716;

(2) include two representatives of managed care organizations as nonvoting members, one of whom must be a physician and one of whom must be a pharmacist;

(3) include at least 17 physicians and pharmacists who:

(A) provide services across the entire population of Medicaid recipients and represent different specialties, including at least one of each of the following types of physicians:

(i) a pediatrician;

(ii) a primary care physician;

(iii) an obstetrician and gynecologist;

(iv) a child and adolescent psychiatrist;

and

(v) an adult psychiatrist; and

(B) have experience in either developing or practicing under a preferred drug list; and

(4) include a consumer advocate who represents Medicaid recipients.

(c-1) The executive commissioner by rule shall develop and implement a process by which a person may apply to become a member of the board and shall post the application and information regarding the application process on the

commission's Internet website.

(d) Members appointed under Subsection (c)(2) may attend quarterly and other regularly scheduled meetings, but may not:

(1) attend executive sessions; or

(2) access confidential drug pricing information.

(e) Members of the board serve staggered four-year terms.

(f) The voting members of the board shall elect from among the voting members a presiding officer. The presiding officer must be a physician.

(g) The board shall hold a public meeting quarterly at the call of the presiding officer and shall permit public comment before voting on any changes in the preferred drug lists, the adoption of or changes to drug use criteria, or the adoption of prior authorization or drug utilization review proposals. The board shall hold public meetings at other times at the call of the presiding officer. Minutes of each meeting shall be made available to the public not later than the 10th business day after the date the minutes are approved. The board may meet in executive session to discuss confidential information as described by Subsection (i).

(h) In developing its recommendations for the preferred drug lists, the board shall consider the clinical efficacy, safety, and cost-effectiveness of and any program benefit associated with a product.

(i) The executive commissioner shall adopt rules governing the operation of the board, including rules governing the procedures used by the board for providing notice of a meeting and rules prohibiting the board from discussing confidential information described by Section 531.071 in a public meeting. The board shall comply with the rules adopted under this subsection and Subsection (j).

(j) In addition to the rules under Subsection (i), the executive commissioner by rule shall require the board or the board's designee to present a summary of any clinical efficacy and safety information or analyses regarding a drug under consideration for a preferred drug list that is provided to the board by a private entity that has contracted with the commission to

provide the information. The board or the board's designee shall provide the summary in electronic form before the public meeting at which consideration of the drug occurs. Confidential information described by Section 531.071 must be omitted from the summary. The summary must be posted on the commission's Internet website.

(k) To the extent feasible, the board shall review all drug classes included in the preferred drug lists adopted under Section 531.072 at least once every 12 months and may recommend inclusions to and exclusions from the lists to ensure that the lists provide for a range of clinically effective, safe, cost-effective, and medically appropriate drug therapies for the diverse segments of the Medicaid population, children receiving health benefits coverage under the child health plan program, and any other affected individuals.

(l) The commission shall provide administrative support and resources as necessary for the board to perform its duties.

(m) Chapter 2110 does not apply to the board.

(n) The commission or the commission's agent shall publicly disclose, immediately after the board's deliberations conclude, each specific drug recommended for or against preferred drug list status for each drug class included in the preferred drug list for the Medicaid vendor drug program. The disclosure must be posted on the commission's Internet website not later than the 10th business day after the date of conclusion of board deliberations that result in recommendations made to the executive commissioner regarding the placement of drugs on the preferred drug list. The public disclosure must include: (1) the general basis for the recommendation for each drug class; and (2) for each recommendation, whether a supplemental rebate agreement or a program benefit agreement was reached under Section 531.070.

(c) Section 531.0692, Government Code, is redesignated as Section 531.0737, Government Code, and amended to read as follows:

Sec. 531.0737 [531.0692].
[MEDICAID] DRUG UTILIZATION
REVIEW BOARD: CONFLICTS OF

INTEREST. (a) A voting member of the [~~board of the Medicaid~~] Drug Utilization Review Board [~~Program~~] may not have a contractual relationship, ownership interest, or other conflict of interest with a pharmaceutical manufacturer or labeler or with an entity engaged by the commission to assist in the development of the preferred drug lists or in the administration of the Medicaid Drug Utilization Review Program.

(b) The executive commissioner may implement this section by adopting rules that identify prohibited relationships and conflicts or requiring the board to develop a conflict-of-interest policy that applies to the board.

(d) Sections 531.072(c) and (e), Government Code, are amended to read as follows:

(c) In making a decision regarding the placement of a drug on each of the preferred drug lists, the commission shall consider:

(1) the recommendations of the Drug Utilization Review Board [~~Pharmaceutical and Therapeutics Committee established~~] under Section 531.0736 [~~531.074~~];

(2) the clinical efficacy of the drug;

(3) the price of competing drugs after deducting any federal and state rebate amounts; and

(4) program benefit offerings solely or in conjunction with rebates and other pricing information.

(e) In this subsection, "labeler" and "manufacturer" have the meanings assigned by Section 531.070. The commission shall ensure that:

(1) a manufacturer or labeler may submit written evidence supporting the inclusion of a drug on the preferred drug lists before a supplemental agreement is reached with the commission; and

(2) any drug that has been approved or has had any of its particular uses approved by the United States Food and Drug Administration under a priority review classification will be reviewed by the Drug Utilization Review Board [~~Pharmaceutical and Therapeutics Committee~~] at the next regularly scheduled meeting of the board [~~committee~~]. On receiving notice from a manufacturer or labeler of the availability of a new product, the

commission, to the extent possible, shall schedule a review for the product at the next regularly scheduled meeting of the board ~~[committee]~~.

(e) Section 531.073(b), Government Code, is amended to read as follows:

(b) The commission shall establish procedures for the prior authorization requirement under the Medicaid vendor drug program to ensure that the requirements of 42 U.S.C. Section 1396r-8(d)(5) and its subsequent amendments are met. Specifically, the procedures must ensure that:

(1) a prior authorization requirement is not imposed for a drug before the drug has been considered at a meeting of the Drug Utilization Review Board ~~[Pharmaceutical and Therapeutics Committee established]~~ under Section 531.0736 ~~[531.074]~~;

(2) there will be a response to a request for prior authorization by telephone or other telecommunications device within 24 hours after receipt of a request for prior authorization; and

(3) a 72-hour supply of the drug prescribed will be provided in an emergency or if the commission does not provide a response within the time required by Subdivision (2).

(f) Section 531.0741, Government Code, is amended to read as follows:

Sec. 531.0741. PUBLICATION OF INFORMATION REGARDING COMMISSION DECISIONS ON PREFERRED DRUG LIST PLACEMENT. The commission shall publish on the commission's Internet website any decisions on preferred drug list placement, including:

(1) a list of drugs reviewed and the commission's decision for or against placement on a preferred drug list of each drug reviewed;

(2) for each recommendation, whether a supplemental rebate agreement or a program benefit agreement was reached under Section 531.070; and

(3) the rationale for any departure from a recommendation of the Drug Utilization Review Board ~~[pharmaceutical and therapeutics committee established]~~ under Section 531.0736 ~~[531.074]~~.

(g) Section 531.074, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015,

is repealed.

(h) The term of a member serving on the Medicaid Drug Utilization Review Board on January 1, 2016, expires on February 29, 2016. Not later than March 1, 2016, the executive commissioner of the Health and Human Services Commission shall appoint the initial members to the Drug Utilization Review Board in accordance with Section 531.0736, Government Code, as added by this article, for terms beginning March 1, 2016. In making the initial appointments and notwithstanding Section 531.0736(e), Government Code, as added by this article, the executive commissioner shall designate as close to one-half as possible of the members to serve for terms expiring March 1, 2018, and the remaining members to serve for terms expiring March 1, 2020.

(i) Not later than February 1, 2016, and before making initial appointments to the Drug Utilization Review Board as provided by Subsection (h) of this section, the executive commissioner of the Health and Human Services Commission shall adopt and implement the application process required under Section 531.0736(c-1), Government Code, as added by this article.

(j) Not later than May 1, 2016, and except as provided by Subsection (i) of this section, the executive commissioner of the Health and Human Services Commission shall adopt or amend rules as necessary to reflect the changes in law made to the Drug Utilization Review Board under Section 531.0736, Government Code, as added by this article, including rules that reflect the changes to the board's functions and composition.

No equivalent provision.

SECTION 2.09. The heading to Subchapter D, Chapter 531, Government Code, is amended to read as follows:

SUBCHAPTER D. PLAN TO SUPPORT GUARDIANSHIPS
~~[GUARDIANSHIP ADVISORY BOARD]~~

No equivalent provision.

SECTION 2.10. Section 531.124, Government Code, is amended to read as follows:

Sec. 531.124. COMMISSION DUTIES. The ~~[(a) With the advice of the advisory board, the]~~ commission shall develop

and, subject to appropriations, implement a plan to:

- (1) ensure that each incapacitated individual in this state who needs a guardianship or another less restrictive type of assistance to make decisions concerning the incapacitated individual's own welfare and financial affairs receives that assistance; and
- (2) foster the establishment and growth of local volunteer guardianship programs.

~~[(b) The advisory board shall biennially review and comment on the minimum standards adopted under Section 111.041 and the plan implemented under Subsection (a) and shall include its conclusions in the report submitted under Section 531.1235.]~~

No equivalent provision.

SECTION 2.11. Section 531.907(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Based on ~~[the recommendations of the advisory committee established under Section 531.904 and]~~ feedback provided by interested parties, the commission in stage two of implementing the health information exchange system may expand the system by:

- (1) providing an electronic health record for each child enrolled in the child health plan program;
- (2) including state laboratory results information in an electronic health record, including the results of newborn screenings and tests conducted under the Texas Health Steps program, based on the system developed for the health passport under Section 266.006, Family Code;
- (3) improving data-gathering capabilities for an electronic health record so that the record may include basic health and clinical information in addition to available claims information, as determined by the executive commissioner;
- (4) using evidence-based technology tools to create a unique health profile to alert health care providers regarding the need for additional care, education, counseling, or health management activities for specific patients; and
- (5) continuing to enhance the electronic

health record created for each Medicaid recipient as technology becomes available and interoperability capabilities improve.

No equivalent provision.

SECTION 2.12. Section 531.909, Government Code, is amended to read as follows:

Sec. 531.909. INCENTIVES. The commission ~~[and the advisory committee established under Section 531.904]~~ shall develop strategies to encourage health care providers to use the health information exchange system, including incentives, education, and outreach tools to increase usage.

No equivalent provision.

SECTION 2.13. Section 533.00251(c), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(c) Subject to Section 533.0025 and notwithstanding any other law, the commission ~~[, in consultation with the advisory committee,]~~ shall provide benefits under Medicaid to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. In implementing this subsection, the commission shall ensure:

- (1) that the commission is responsible for setting the minimum reimbursement rate paid to a nursing facility under the managed care program, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement;
- (2) that a nursing facility is paid not later than the 10th day after the date the facility submits a clean claim;
- (3) the appropriate utilization of services consistent with criteria established by the commission;
- (4) a reduction in the incidence of potentially preventable events and unnecessary institutionalizations;
- (5) that a managed care organization providing services under the managed care program provides discharge planning, transitional care, and other education programs to physicians and hospitals regarding all available long-term care settings;
- (6) that a managed care organization providing services under the managed care program:
 - (A) assists in collecting applied income

from recipients; and

(B) provides payment incentives to nursing facility providers that reward reductions in preventable acute care costs and encourage transformative efforts in the delivery of nursing facility services, including efforts to promote a resident-centered care culture through facility design and services provided;

(7) the establishment of a portal that is in compliance with state and federal regulations, including standard coding requirements, through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims to any participating managed care organization;

(8) that rules and procedures relating to the certification and decertification of nursing facility beds under Medicaid are not affected; and

(9) that a managed care organization providing services under the managed care program, to the greatest extent possible, offers nursing facility providers access to:

(A) acute care professionals; and

(B) telemedicine, when feasible and in accordance with state law, including rules adopted by the Texas Medical Board.

No equivalent provision.

SECTION 2.14. Section 533.00253, Government Code, is amended by amending Subsection (b), as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, and Subsection (f) to read as follows:

(b) Subject to Section 533.0025, the commission shall, in consultation with the ~~[advisory committee and the]~~ Children's Policy Council established under Section 22.035, Human Resources Code, establish a mandatory STAR Kids capitated managed care program tailored to provide Medicaid benefits to children with disabilities. The managed care program developed under this section must:

(1) provide Medicaid benefits that are customized to meet the health care needs of recipients under the program through a defined system of care;

(2) better coordinate care of recipients under the program;

(3) improve the health outcomes of recipients;

(4) improve recipients' access to health

care services;
(5) achieve cost containment and cost efficiency;
(6) reduce the administrative complexity of delivering Medicaid benefits;
(7) reduce the incidence of unnecessary institutionalizations and potentially preventable events by ensuring the availability of appropriate services and care management;
(8) require a health home; and
(9) coordinate and collaborate with long-term care service providers and long-term care management providers, if recipients are receiving long-term services and supports outside of the managed care organization.
(f) The commission shall seek ongoing input from the Children's Policy Council regarding the establishment and implementation of the STAR Kids managed care program. This subsection expires on the date the Children's Policy Council is abolished under Section 22.035(n), Human Resources Code.

No equivalent provision.

SECTION 2.15. Section 533.00254(f), Government Code, is amended to read as follows:

(f) On the first anniversary of the date the commission completes implementation of the STAR Kids Medicaid managed care program under Section 533.00253 [September 1, 2016]:
(1) the advisory committee is abolished; and
(2) this section expires.

No equivalent provision.

SECTION 2.16. Section 533.00256(a), Government Code, is amended to read as follows:

(a) In consultation with [~~the Medicaid and CHIP Quality-Based Payment Advisory Committee established under Section 536.002 and other~~] appropriate stakeholders with an interest in the provision of acute care services and long-term services and supports under the Medicaid managed care program, the commission shall:
(1) establish a clinical improvement program to identify goals designed to improve quality of care and care management and to reduce potentially preventable events, as defined by Section 536.001; and
(2) require managed care organizations

to develop and implement collaborative program improvement strategies to address the goals.

No equivalent provision.

SECTION 2.17. Section 534.053(g), Government Code, is amended to read as follows:

(g) On the one-year anniversary of the date the commission completes implementation of the transition required under Section 534.202 [January 1, 2024]:

- (1) the advisory committee is abolished; and
- (2) this section expires.

No equivalent provision.

SECTION 2.18. Section 535.053, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The interagency coordinating group for faith- and community-based initiatives is composed of each faith- and community-based liaison designated under Section 535.051 and a liaison from the State Commission on National and Community Service. ~~[The commission shall provide administrative support to the interagency coordinating group.]~~

(a-1) Service on the interagency coordinating group is an additional duty of the office or position held by each person designated as a liaison under Section 531.051(b). The state agencies described by Section 535.051(b) shall provide administrative support for the interagency coordinating group as coordinated by the presiding officer.

No equivalent provision.

SECTION 2.19. Sections 535.055(a) and (b), Government Code, are amended to read as follows:

(a) The Texas Nonprofit Council is established to help direct the interagency coordinating group in carrying out the group's duties under this section. The state agencies of the interagency coordinating group described by Section 531.051(b) [commission] shall provide administrative support to the council as coordinated by the presiding officer of the interagency coordinating group.

(b) The governor [executive commissioner], in consultation with the presiding officer of the interagency coordinating group, shall appoint as members of the council two

representatives from each of the following groups and entities to represent each group's and entity's appropriate sector:

- (1) statewide nonprofit organizations;
- (2) local governments;
- (3) faith-based groups, at least one of which must be a statewide interfaith group;
- (4) community-based groups;
- (5) consultants to nonprofit corporations; and
- (6) statewide associations of nonprofit organizations.

No equivalent provision.

SECTION 2.20. Section 535.104(a), Government Code, is amended to read as follows:

(a) The commission shall:

- (1) contract with the State Commission on National and Community Service to administer funds appropriated from the account in a manner that:
 - (A) consolidates the capacity of and strengthens national service and community and faith- and community-based initiatives; and
 - (B) leverages public and private funds to benefit this state;
- (2) develop a competitive process to be used in awarding grants from account funds that is consistent with state law and includes objective selection criteria;
- (3) oversee the delivery of training and other assistance activities under this subchapter;
- (4) develop criteria limiting awards of grants under Section 535.105(1)(A) to small and medium-sized faith- and community-based organizations that provide charitable services to persons in this state;
- (5) establish general state priorities for the account;
- (6) establish and monitor performance and outcome measures for persons to whom grants are awarded under this subchapter; and
- (7) establish policies and procedures to ensure that any money appropriated from the account to the commission that is allocated to build the capacity of a faith-based organization or for a faith-based initiative~~[, including money allocated for the establishment of the advisory committee under Section 535.108,]~~ is not used to advance a sectarian purpose or to engage in any

form of proselytization.

No equivalent provision.

SECTION 2.21. Section 536.001(20), Government Code, is amended to read as follows:

(20) "Potentially preventable readmission" means a return hospitalization of a person within a period specified by the commission that may have resulted from deficiencies in the care or treatment provided to the person during a previous hospital stay or from deficiencies in post-hospital discharge follow-up. The term does not include a hospital readmission necessitated by the occurrence of unrelated events after the discharge. The term includes the readmission of a person to a hospital for:

(A) the same condition or procedure for which the person was previously admitted;

(B) an infection or other complication resulting from care previously provided;

(C) a condition or procedure that indicates that a surgical intervention performed during a previous admission was unsuccessful in achieving the anticipated outcome; or

(D) another condition or procedure of a similar nature, as determined by the executive commissioner ~~[after consulting with the advisory committee].~~

No equivalent provision.

SECTION 2.22. Section 536.003(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) The commission~~[, in consultation with the advisory committee,]~~ shall develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used in the child health plan program and Medicaid to implement quality-based payments for acute care services and long-term services and supports across all delivery models and payment systems, including fee-for-service and managed care payment systems. Subject to Subsection (a-1), the commission, in developing outcome and process measures under this section, must include measures that are based on potentially preventable events and that advance quality improvement and innovation. The

commission may change measures developed:

- (1) to promote continuous system reform, improved quality, and reduced costs; and
- (2) to account for managed care organizations added to a service area.

No equivalent provision.

SECTION 2.23. Section 536.004(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Using quality-based outcome and process measures developed under Section 536.003 and subject to this section, the commission, after consulting with ~~[the advisory committee and other]~~ appropriate stakeholders with an interest in the provision of acute care and long-term services and supports under the child health plan program and Medicaid, shall develop quality-based payment systems, and require managed care organizations to develop quality-based payment systems, for compensating a physician or other health care provider participating in the child health plan program or Medicaid that:

- (1) align payment incentives with high-quality, cost-effective health care;
- (2) reward the use of evidence-based best practices;
- (3) promote the coordination of health care;
- (4) encourage appropriate physician and other health care provider collaboration;
- (5) promote effective health care delivery models; and
- (6) take into account the specific needs of the child health plan program enrollee and Medicaid recipient populations.

No equivalent provision.

SECTION 2.24. Section 536.006(a), Government Code, is amended to read as follows:

(a) The commission ~~[and the advisory committee]~~ shall:

- (1) ensure transparency in the development and establishment of:
 - (A) quality-based payment and reimbursement systems under Section 536.004 and Subchapters B, C, and D, including the development of outcome and process measures under Section 536.003; and
 - (B) quality-based payment initiatives under Subchapter E, including the

development of quality of care and cost-efficiency benchmarks under Section 536.204(a) and efficiency performance standards under Section 536.204(b);

(2) develop guidelines establishing procedures for providing notice and information to, and receiving input from, managed care organizations, health care providers, including physicians and experts in the various medical specialty fields, and other stakeholders, as appropriate, for purposes of developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1);

(3) in developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1), consider that as the performance of a managed care organization or physician or other health care provider improves with respect to an outcome or process measure, quality of care and cost-efficiency benchmark, or efficiency performance standard, as applicable, there will be a diminishing rate of improved performance over time; and

(4) develop web-based capability to provide managed care organizations and health care providers with data on their clinical and utilization performance, including comparisons to peer organizations and providers located in this state and in the provider's respective region.

No equivalent provision.

SECTION 2.25. Section 536.052(b), Government Code, is amended to read as follows:

(b) The commission~~[, after consulting with the advisory committee,]~~ shall develop quality of care and cost-efficiency benchmarks, including benchmarks based on a managed care organization's performance with respect to reducing potentially preventable events and containing the growth rate of health care costs.

No equivalent provision.

SECTION 2.26. Section 536.102(a), Government Code, is amended to read as follows:

(a) Subject to this subchapter, the commission~~[, after consulting with the advisory committee,]~~ may develop and implement quality-based payment

systems for health homes designed to improve quality of care and reduce the provision of unnecessary medical services. A quality-based payment system developed under this section must:

- (1) base payments made to a participating enrollee's health home on quality and efficiency measures that may include measurable wellness and prevention criteria and use of evidence-based best practices, sharing a portion of any realized cost savings achieved by the health home, and ensuring quality of care outcomes, including a reduction in potentially preventable events; and
- (2) allow for the examination of measurable wellness and prevention criteria, use of evidence-based best practices, and quality of care outcomes based on the type of primary or specialty care provider practice.

No equivalent provision.

SECTION 2.27. Section 536.152(a), Government Code, is amended to read as follows:

(a) Subject to Subsection (b), using the data collected under Section 536.151 and the diagnosis-related groups (DRG) methodology implemented under Section 536.005, if applicable, the commission~~[, after consulting with the advisory committee,]~~ shall to the extent feasible adjust child health plan and Medicaid reimbursements to hospitals, including payments made under the disproportionate share hospitals and upper payment limit supplemental payment programs, based on the hospital's performance with respect to exceeding, or failing to achieve, outcome and process measures developed under Section 536.003 that address the rates of potentially preventable readmissions and potentially preventable complications.

No equivalent provision.

SECTION 2.28. Section 536.202(a), Government Code, is amended to read as follows:

(a) The commission shall~~[, after consulting with the advisory committee,]~~ establish payment initiatives to test the effectiveness of quality-based payment systems, alternative payment methodologies, and high-quality, cost-effective health care delivery models that provide incentives to physicians and

other health care providers to develop health care interventions for child health plan program enrollees or Medicaid recipients, or both, that will:

- (1) improve the quality of health care provided to the enrollees or recipients;
- (2) reduce potentially preventable events;
- (3) promote prevention and wellness;
- (4) increase the use of evidence-based best practices;
- (5) increase appropriate physician and other health care provider collaboration;
- (6) contain costs; and
- (7) improve integration of acute care services and long-term services and supports, including discharge planning from acute care services to community-based long-term services and supports.

No equivalent provision.

SECTION 2.29. Section 536.204(a), Government Code, is amended to read as follows:

(a) The executive commissioner shall[~~;~~ ~~(1) consult with the advisory committee to~~] develop quality of care and cost-efficiency benchmarks and measurable goals that a payment initiative must meet to ensure high-quality and cost-effective health care services and healthy outcomes[~~;~~ ~~and~~ ~~(2) approve benchmarks and goals developed as provided by Subdivision (4)~~].

No equivalent provision.

SECTION 2.30. Section 536.251(a), Government Code, is amended to read as follows:

(a) Subject to this subchapter, the commission, after consulting with [~~the advisory committee and other~~] appropriate stakeholders representing nursing facility providers with an interest in the provision of long-term services and supports, may develop and implement quality-based payment systems for Medicaid long-term services and supports providers designed to improve quality of care and reduce the provision of unnecessary services. A quality-based payment system developed under this section must base payments to providers on quality and efficiency measures that may include measurable wellness and prevention criteria and use of evidence-based best practices, sharing a portion of any realized cost savings achieved by the provider, and ensuring

quality of care outcomes, including a reduction in potentially preventable events.

No equivalent provision.

SECTION 2.31. Section 538.052(a), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) Subject to Subsection (b), the commission shall solicit and accept suggestions for clinical initiatives, in either written or electronic form, from:

- (1) a member of the state legislature;
- (2) the executive commissioner;
- (3) the commissioner of aging and disability services;
- (4) the commissioner of state health services;
- (5) the commissioner of the Department of Family and Protective Services;
- (6) the commissioner of assistive and rehabilitative services;
- (7) the medical care advisory committee established under Section 32.022, Human Resources Code; and
- (8) the physician payment advisory committee created under Section 32.022(d), Human Resources Code[; ~~and~~ ~~(9) the Electronic Health Information Exchange System Advisory Committee established under Section 531.904].~~

No equivalent provision.

SECTION 2.32. Sections 1002.060(c) and (e), Health and Safety Code, are amended to read as follows:

(c) The commission, department, or institute or an officer or employee of the commission, department, or institute[; ~~including a board member,~~] may not disclose any information that is confidential under this section.

(e) An officer or employee of the commission, department, or institute[; ~~including a board member,~~] may not be examined in a civil, criminal, special, administrative, or other proceeding as to information that is confidential under this section.

No equivalent provision.

SECTION 2.33. Section 1002.061, Health and Safety Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

(c) Except as otherwise provided by law, each of the following state agencies or systems [~~agency represented on the board as a nonvoting member~~] shall

provide funds to support the institute and implement this chapter;

- (1) the department;
- (2) the commission;
- (3) the Texas Department of Insurance;
- (4) the Employees Retirement System of Texas;
- (5) the Teacher Retirement System of Texas;
- (6) the Texas Medical Board;
- (7) the Department of Aging and Disability Services;
- (8) the Texas Workforce Commission;
- (9) the Texas Higher Education Coordinating Board; and
- (10) each state agency or system of higher education that purchases or provides health care services, as determined by the governor.

(c-1) The commission shall establish a funding formula to determine the level of support each state agency or system listed in Subsection (c) is required to provide.

No equivalent provision.

SECTION 2.34. Section 22.035, Human Resources Code, is amended by adding Subsection (n) to read as follows:

(n) The work group is abolished and this section expires September 1, 2017.

No equivalent provision.

SECTION 2.35. (a) Section 32.022(b), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b) The executive commissioner shall appoint the committee in compliance with the requirements of the federal agency administering medical assistance. The appointments shall:

- (1) provide for a balanced representation of the general public, providers, consumers, and other persons, state agencies, or groups with knowledge of and interest in the committee's field of work; and
- (2) include one member who is the representative of a managed care organization.

(b) Not later than January 1, 2016, the executive commissioner of the Health and Human Services Commission shall appoint an additional member to the medical care advisory committee in accordance with Section 32.022(b)(2), Human Resources Code, as added by this article.

No equivalent provision.

SECTION 2.36. Section 32.0641(a), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(a) To the extent permitted under and in a manner that is consistent with Title XIX, Social Security Act (42 U.S.C. Section 1396 et seq.) and any other applicable law or regulation or under a federal waiver or other authorization, the executive commissioner shall adopt~~;~~ ~~after consulting with the Medicaid and CHIP Quality Based Payment Advisory Committee established under Section 536.002, Government Code,~~ cost-sharing provisions that encourage personal accountability and appropriate utilization of health care services, including a cost-sharing provision applicable to a recipient who chooses to receive a nonemergency medical service through a hospital emergency room.

No equivalent provision.

SECTION 2.37. Section 1352.004(b), Insurance Code, is amended to read as follows:

(b) The commissioner by rule shall require a health benefit plan issuer to provide adequate training to personnel responsible for preauthorization of coverage or utilization review under the plan. The purpose of the training is to prevent denial of coverage in violation of Section 1352.003 and to avoid confusion of medical benefits with mental health benefits. The commissioner~~;~~ ~~in consultation with the Texas Traumatic Brain Injury Advisory Council,~~ shall prescribe by rule the basic requirements for the training described by this subsection.

No equivalent provision.

SECTION 2.38. Section 1352.005(b), Insurance Code, is amended to read as follows:

(b) The commissioner~~;~~ ~~in consultation with the Texas Traumatic Brain Injury Advisory Council,~~ shall prescribe by rule the specific contents and wording of the notice required under this section.

No equivalent provision.

SECTION 2.39. (a) The following provisions of the Government Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

(1) Section 531.0217(j);

- (2) Section 531.02172;
- (3) Section 531.02173(c);
- (4) Section 531.052;
- (5) Section 531.0571;
- (6) Section 531.068;
- (7) Sections 531.121(1), (5), and (6);
- (8) Section 531.122;
- (9) Section 531.123;
- (10) Section 531.1235;
- (11) Section 531.251;
- (12) Subchapters R and T, Chapter 531;
- (13) Section 531.904;
- (14) Section 533.00251(a)(1);
- (15) Section 533.00252;
- (16) Sections 533.00255(e) and (f);
- (17) Section 533.00285;
- (18) Subchapters B and C, Chapter 533;
- (19) Section 535.055(f);
- (20) Section 535.108;
- (21) Section 536.001(1);
- (22) the heading to Section 536.002;
- (23) Sections 536.002(a) and (c);
- (24) Section 536.002(b), as amended by Article 1 of this Act; and
- (25) Section 536.007(b).

(b) The following provisions of the Health and Safety Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

- (1) Subchapter C, Chapter 32;
- (2) Section 62.151(e);
- (3) Section 62.1571(c);
- (4) Section 81.010;
- (5) Section 92.011;
- (6) Subchapter B, Chapter 92;
- (7) Chapter 115;
- (8) Section 1002.001(1);
- (9) Section 1002.051;
- (10) Section 1002.052;
- (11) Section 1002.053;
- (12) Section 1002.055;
- (13) Section 1002.056;
- (14) Section 1002.057;
- (15) Section 1002.058; and
- (16) Section 1002.059.

(c) Section 32.022(e), Human Resources Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.

No equivalent provision.

SECTION 2.40. On the effective date of this article, the following advisory committees are abolished:

- (1) the advisory committee on Medicaid and child health plan program rate and expenditure disparities;
- (2) the Advisory Committee on

Qualifications for Health Care Translators and Interpreters;

- (3) the Behavioral Health Integration Advisory Committee;
- (4) the Consumer Direction Work Group;
- (5) the Council on Children and Families;
- (6) the Electronic Health Information Exchange System Advisory Committee;
- (7) the Guardianship Advisory Board;
- (8) the hospital payment advisory committee;
- (9) the Interagency Coordinating Council for HIV and Hepatitis;
- (10) the Medicaid and CHIP Quality-Based Payment Advisory Committee;
- (11) each Medicaid managed care advisory committee appointed for a health care service region under Subchapter B, Chapter 533, Government Code;
- (12) the Public Assistance Health Benefit Review and Design Committee;
- (13) the renewing our communities account advisory committee;
- (14) the STAR + PLUS Nursing Facility Advisory Committee;
- (15) the STAR + PLUS Quality Council;
- (16) the state Medicaid managed care advisory committee;
- (17) the task force on domestic violence;
- (18) the Interagency Task Force for Children With Special Needs;
- (19) the telemedicine and telehealth advisory committee;
- (20) the board of directors of the Texas Institute of Health Care Quality and Efficiency;
- (21) the Texas System of Care Consortium;
- (22) the Texas Traumatic Brain Injury Advisory Council; and
- (23) the volunteer advocate program advisory committee.

No equivalent provision.

SECTION 2.41. (a) Not later than November 1, 2015, the executive commissioner of the Health and Human Services Commission shall publish in the Texas Register:

- (1) a list of the new advisory committees established or to be established as a result of this article, including the advisory committees required under Section 531.012(a),

Government Code, as amended by this article; and

(2) a list that identifies the advisory committees listed in Section 2.40 of this article:

(A) that will not be continued in any form; or

(B) whose functions will be assumed by a new advisory committee established under Section 531.012(a), Government Code, as amended by this article.

(b) The executive commissioner of the Health and Human Services Commission shall ensure that an advisory committee established under Section 531.012(a), Government Code, as amended by this article, begins operations immediately on its establishment to ensure ongoing public input and engagement.

(c) This section takes effect September 1, 2015.

No equivalent provision.

SECTION 2.42. Except as otherwise provided by this article, this article takes effect January 1, 2016.

No equivalent provision.

ARTICLE 3. TRANSITION, FEDERAL AUTHORIZATION, AND GENERAL EFFECTIVE DATE

SECTION 5. If an entity that is abolished by this Act has property, records, or other assets, the Health and Human Services Commission shall take custody of the entity's property, records, or other assets.

SECTION 3.01. Same as engrossed version.

No equivalent provision.

SECTION 3.02. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 6. This Act takes effect September 1, 2015.

SECTION 3.03. Except as otherwise provided by this Act, this Act takes effect September 1, 2015.