

## **BILL ANALYSIS**

Senate Research Center  
76R4013 SMJ-D

S.B. 773  
By: Nelson  
Health Services  
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As Filed

### **DIGEST**

Currently, Texas law has established certain contract regulatory responsibilities through the Texas Department of Mental Health and Mental Retardation. However, statutory change is necessary to ensure that the department has the authority and appropriate mechanisms to ensure contract compliance and the continued provision of services. S.B. 773 regulates the management of a community mental health center under certain circumstances.

### **PURPOSE**

As proposed, S.B. 773 regulates the management of a community mental health center under certain circumstances.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Board of Mental Health and Mental Retardation in SECTION 1 (Section 534.039(d), Health and Safety Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 534A, Health and Safety Code, by adding Sections 534.038, 534.039, and 534.040, as follows:

Sec. 534.038. APPOINTMENT OF MANAGER OF MANAGEMENT TEAM. (a) Authorizes the commissioner of mental health and mental retardation (commissioner) to appoint a manager or management team to manage and operate a community mental health center if certain conditions exist.

(b) Requires the Texas Department of Mental Health and Mental Retardation (TXMHMR) to give written notification to the center and local agency or combination of agencies responsible for making appointments to the local board of trustees regarding the appointment of the manager or management team and the circumstances on which the appointment is based.

(c) Authorizes the commissioner to require the center to pay costs incurred by the manager or management team.

(d) Authorizes the center to appeal the commissioner's decision to appoint a manager or management team as prescribed by board rule. Provides that the filing of a notice of appeal stays the appointment unless the commissioner based the appointment on a finding under Subsection (a)(1)(D).

Sec. 534.039. POWERS AND DUTIES OF MANAGEMENT TEAM. (a) Sets forth what a manager or management team is authorized to do, as the commissioner determines for each appointment.

(b) Requires the manager or management team to supervise the exercise of power or duty by the local board of trustees.

(c) Requires the manager or management team to report monthly to the commissioner and local board of trustees on actions taken.

(d) Provides that a manager or a member of a management team appointed under this section is immune from liability arising from the good faith performance of a function described by this section.

(e) Prohibits a manager or management team appointed under this section from using an asset or money contributed by a country, municipality, or other local funding entity without the approval of the county, municipality, or entity.

Sec. 534.040. RESTORING MANAGEMENT TO CENTER. (a) Requires the commissioner each month to evaluate the performance of a community center managed by a manager or team appointed under Section 534.038 to determine the feasibility of restoring the center's management and operation to a local board of trustees.

(b) Provides that the authority of the manger or management team continues until the commissioner determines that the relevant factors listed under Section 534.038(a) (1) no longer exist or the TXMHMR cancels its contract with the center.

(c) Requires the commissioner, following a determination under Subsection (b) (1), to terminate the authority of the manager or management team and restore authority to manage and operate the center to the center's authorized officers and employees.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.