

BILL ANALYSIS

Senate Research Center

C.S.S.B. 276
By: Patterson
Health & Human Services
4-28-97
Committee Report (Substituted)

DIGEST

Currently, mental health, chemical dependency, or mental retardation services cannot be provided through networks because the system is limited. Because public health organizations are performing more services, it is important that networks of service providers are created that are flexible enough to meet the needs of those it serves. C.S.S.B. 276 establishes the requirements for the creation and function of networks by community centers providing mental health, chemical dependency, or mental retardation services.

PURPOSE

As proposed, C.S.S.B. 276 establishes requirements for the creation of networks to provide mental health, chemical dependency, and mental retardation services.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 534, Health and Safety Code, by adding Subchapter C, as follows:

SUBCHAPTER C. HEALTH MAINTENANCE ORGANIZATIONS

Sec. 534.101. HEALTH MAINTENANCE ORGANIZATION CERTIFICATE OF AUTHORITY. Authorizes one or more community centers to create and operate a non-profit corporation pursuant to the laws of this state for certain purposes. Requires a non-profit corporation to obtain the appropriate certificate of authority from the Texas Department of Insurance to operate as a health maintenance organization pursuant to the Texas Health Maintenance Organization Act, before the nonprofit corporation accepts or enters into any capitated or other at-risk payment arrangement for services designated in a plan approved by the Texas Department of Mental Health and Mental Retardation (department) in Subchapter A. Requires a nonprofit corporation operating under this subchapter to disclose in writing to the department certain provided services, prior to submitting any bids. Requires the department to verify that the services provided under any capitated or other at-risk payment arrangement are within the scope of services approved by the department in each center's plan required under Chapter 534A. Sets forth the requirements to be provided by the board and the nonprofit corporation. Sets forth the requirements of a nonprofit corporation operating under this chapter.

Sec. 534.102. LAW AND RULES. Authorizes certain nonprofit corporations to exercise the powers and authority and to be subject to the conditions and limitations provided by this subchapter, the Texas Health Maintenance Organization Act, the Texas Non-Profit Corporation Act, and rules of the Texas Department of Insurance.

Sec. 534.103. APPLICATION OF LAWS AND RULES. Requires a health maintenance organization created and operating under this subchapter to be governed as and is subject to the same laws and rules of the Texas Department of Insurance as any other health maintenance organization of the same type.

Sec. 534.104. APPLICATION OF SPECIFIC LAWS. Provides that a health maintenance organization created and operating under this subchapter is a governmental unit and a unit of local government, as defined by Chapters 101 and 102, Civil Practices and Remedies Code, and a local government as defined by Section 791.003, Government Code. Provides that nothing in this subchapter precludes one or more community centers from forming a nonprofit organization under Section 5.01, Article 4495b, V.T.C.S., (Medical Practices Act) to provide services on a risk-sharing or capitated basis as permitted under Article 21.52F, Insurance Code.

SECTION 2. Requires the Department of Insurance to adopt rules by September 1, 1997, which describe the procedures an entity must follow and the standards an entity shall meet in obtaining a certificate of authority as a single health care service plan providing behavioral health care services

SECTION 3. Effective date: September 1, 1997..

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Makes a change in the relating clause.

Deletes proposed text. Proposes a new substitute bill.

Amendment 1.

Page 4, insert "SECTION 2. The Department of Insurance shall adopt rules by September 1, 1997, which describe the procedures an entity must follow and the standards an entity shall meet to obtain a certificate of authority as a single health care service plan providing behavioral health care services." after SECTION 1. Redesignates existing subsection.