

By: Schwertner  
(Sheffield)

S.B. No. 277

Substitute the following for S.B. No. 277:

By: Raymond

C.S.S.B. No. 277

A BILL TO BE ENTITLED

AN ACT

relating to certain health-related and other task forces and  
advisory committees.

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

ARTICLE 1. CHANGES TO ENTITIES EFFECTIVE SEPTEMBER 1, 2015

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repealed.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 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  
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(c) Section 531.107, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.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 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571.027, Health and Safety Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is repealed.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 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.

SECTION 1.07. (a) The Sickle 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           ~~[(1)]~~ identify efforts related to the expansion and  
2 coordination of education, treatment, and continuity of care  
3 programs for individuals with sickle cell trait and sickle cell  
4 disease[+]

5           ~~[(2) assist the advisory committee created under~~  
6 ~~Section 33.053, and~~

7           ~~[(3) provide the advisory committee created under~~  
8 ~~Section 33.053 with staff support necessary for the advisory~~  
9 ~~committee to fulfill its duties].~~

10           (c) Section 33.053, Health and Safety Code, is repealed.

11           SECTION 1.08. (a) The Arthritis Advisory Committee is  
12 abolished.

13           (b) Section 97.007, Health and Safety Code, is repealed.

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

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

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

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

27                   (2) at least one member who is a physician with

1 clinical practice experience in pediatrics;

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

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

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

10 (6) at least one member who is a consumer  
11 representative[~~, and~~

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

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

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

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

22 (b) The executive commissioner may exclude an adverse event  
23 described by Subsection (a)(2) from the reporting requirement of  
24 Subsection (a) if the executive commissioner [~~, in consultation~~  
25 ~~with the advisory panel,~~] determines that the adverse event is not  
26 an appropriate indicator of a preventable adverse event.

27 (e) Section 98.105, Health and Safety Code, is amended to

1 read as follows:

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

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

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

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

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

20       (h) The following provisions are repealed:

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

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

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

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

1 amended to read as follows:

2 (d) In accordance with this section [~~and the criteria and~~  
3 ~~guidelines developed by the training advisory committee~~  
4 ~~established under Section 141.0096~~], the executive commissioner by  
5 rule shall establish criteria and guidelines for training and  
6 examination programs on sexual abuse and child molestation. The  
7 department may approve training and examination programs offered by  
8 trainers under contract with youth camps or by online training  
9 organizations or may approve programs offered in another format  
10 authorized by the department.

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

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

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

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

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

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

25 Sec. 1001.155. REQUIRED REPORT. Not later than December 1  
26 of each even-numbered year, the department [~~, with the assistance~~  
27 ~~of the advisory committee established under this subchapter,~~] shall



1 submit a report to the governor and the legislature regarding the  
2 grant activities of the program and grant recipients, including the  
3 results and outcomes of grants provided under this subchapter.

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

7 ARTICLE 2. CHANGES TO ENTITIES EFFECTIVE JANUARY 1, 2016

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

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

15 (1) each option to prevent relinquishment of parental  
16 custody that was considered during the study;

17 (2) each option recommended for implementation, if  
18 any;

19 (3) each option that is implemented using existing  
20 resources;

21 (4) any policy or statutory change needed to implement  
22 a recommended option;

23 (5) the fiscal impact of implementing each option, if  
24 any;

25 (6) the estimated number of children and families that  
26 may be affected by the implementation of each option; and

27 (7) any other significant information relating to the

1 study.

2 SECTION 2.02. (a) Section 531.012, Government Code, as  
3 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
4 2015, is amended to read as follows:

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

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

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

27 (c) The executive commissioner shall adopt rules:

1           (1) in compliance with Chapter 2110 to govern an  
2 advisory committee's purpose, tasks, reporting requirements, and  
3 date of abolition; and

4           (2) related to an advisory committee's:

5                   (A) size and quorum requirements;

6                   (B) membership, including:

7                           (i) qualifications to be a member,  
8 including any experience requirements;

9                           (ii) required geographic representation;

10                          (iii) appointment procedures; and

11                          (iv) terms of members; and

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

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

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

18                   (2) submit a written report to the legislature of any  
19 policy recommendations made to the executive commissioner under  
20 Subdivision (1) ~~as needed~~.

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

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

27           Sec. 531.0121. PUBLIC ACCESS TO ADVISORY COMMITTEE

1 MEETINGS. (a) This section applies to an advisory committee  
2 established under Section 531.012.

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

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

8 (1) the master calendar;

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

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

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

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

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

19 (1) review programs and pilot projects in other states  
20 to determine the most effective method for reimbursement;

21 (2) establish billing codes and a fee schedule for  
22 services;

23 (3) provide for an approval process before a provider  
24 can receive reimbursement for services;

25 (4) consult with the Department of State Health  
26 Services [~~and the telemedicine and telehealth advisory committee~~]

27 to establish procedures to:

1 (A) identify clinical evidence supporting  
2 delivery of health care services using a telecommunications system;  
3 and

4 (B) annually review health care services,  
5 considering new clinical findings, to determine whether  
6 reimbursement for particular services should be denied or  
7 authorized;

8 (5) establish a separate provider identifier for  
9 telemedicine medical services providers, telehealth services  
10 providers, and home telemonitoring services providers; and

11 (6) establish a separate modifier for telemedicine  
12 medical services, telehealth services, and home telemonitoring  
13 services eligible for reimbursement.

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

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

18 SECTION 2.06. Section 531.051(c), Government Code, as  
19 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
20 2015, is amended to read as follows:

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

23 (1) ~~[with assistance from the work group established~~  
24 ~~under Section 531.052,~~] determine which services are appropriate  
25 and suitable for delivery through consumer direction;

26 (2) ensure that each consumer direction model is  
27 designed to comply with applicable federal and state laws;

1           (3) maintain procedures to ensure that a potential  
2 consumer or the consumer's legally authorized representative has  
3 adequate and appropriate information, including the  
4 responsibilities of a consumer or representative under each service  
5 delivery option, to make an informed choice among the types of  
6 consumer direction models;

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

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

12               (A) adherence to existing applicable program  
13 standards;

14               (B) appropriate use of funds; and

15               (C) consumer satisfaction with the delivery of  
16 services;

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

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

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

27          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]~~

1 commission may design and implement a program to improve and  
2 monitor clinical and functional outcomes of a recipient of services  
3 under Medicaid or the state child health plan program. The program  
4 may use financial, clinical, and other criteria based on pharmacy,  
5 medical services, and other claims data related to Medicaid or the  
6 child health plan program. ~~[The commission must report to the~~  
7 ~~committee on the fiscal impact, including any savings associated~~  
8 ~~with the strategies utilized under this section.]~~

9 SECTION 2.08. (a) Section [531.0691](#), Government Code, as  
10 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
11 2015, is redesignated as Section 531.0735, Government Code, to read  
12 as follows:

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

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

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

21 (3) "Retrospective drug use review" means the review  
22 of prescription drug claims data to identify patterns of  
23 prescribing.

24 (b) The commission shall provide for an increase in the  
25 number and types of retrospective drug use reviews performed each  
26 year under the Medicaid Drug Utilization Review Program, in  
27 comparison to the number and types of reviews performed in the state



1 fiscal year ending August 31, 2009.

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

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

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

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

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

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

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

26 (e) The cost-saving estimates for prospective drug use  
27 reviews under Subsection (d) must include savings attributed to

1 drug use reviews performed through the vendor drug program's  
2 electronic claims processing system and clinical edits screened  
3 through the prior authorization system implemented under Section  
4 531.073.

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

8 (b) Subchapter B, Chapter 531, Government Code, is amended  
9 by adding Section 531.0736 to read as follows:

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

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

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

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

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

21 (4) review drug utilization across Medicaid; and

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

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

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

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

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

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

10                           (i) a pediatrician;

11                           (ii) a primary care physician;

12                           (iii) an obstetrician and gynecologist;

13                           (iv) a child and adolescent psychiatrist;

14 and

15                           (v) an adult psychiatrist; and

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

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

20           (c-1) The executive commissioner by rule shall develop and  
21 implement a process by which a person may apply to become a member  
22 of the board and shall post the application and information  
23 regarding the application process on the commission's Internet  
24 website.

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

27                   (1) attend executive sessions; or

1           (2) access confidential drug pricing information.

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

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

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

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

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

27           (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

1 the commission's Internet website not later than the 10th business  
2 day after the date of conclusion of board deliberations that result  
3 in recommendations made to the executive commissioner regarding the  
4 placement of drugs on the preferred drug list. The public  
5 disclosure must include:

6 (1) the general basis for the recommendation for each  
7 drug class; and

8 (2) for each recommendation, whether a supplemental  
9 rebate agreement or a program benefit agreement was reached under  
10 Section 531.070.

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

13 Sec. 531.0737 [~~531.0692~~]. [~~MEDICAID~~] DRUG UTILIZATION  
14 REVIEW BOARD: CONFLICTS OF INTEREST. (a) A voting member of the  
15 [~~board of the Medicaid~~] Drug Utilization Review Board [~~Program~~] may  
16 not have a contractual relationship, ownership interest, or other  
17 conflict of interest with a pharmaceutical manufacturer or labeler  
18 or with an entity engaged by the commission to assist in the  
19 development of the preferred drug lists or in the administration of  
20 the Medicaid Drug Utilization Review Program.

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

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

27 (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:

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

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

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

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

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

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

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

26 (2) for each recommendation, whether a supplemental  
27 rebate agreement or a program benefit agreement was reached under



1 Section 531.070; and

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

6 (g) Section 531.074, Government Code, as amended by S.B.  
7 219, Acts of the 84th Legislature, Regular Session, 2015, is  
8 repealed.

9 (h) The term of a member serving on the Medicaid Drug  
10 Utilization Review Board on January 1, 2016, expires on February  
11 29, 2016. Not later than March 1, 2016, the executive commissioner  
12 of the Health and Human Services Commission shall appoint the  
13 initial members to the Drug Utilization Review Board in accordance  
14 with Section 531.0736, Government Code, as added by this article,  
15 for terms beginning March 1, 2016. In making the initial  
16 appointments and notwithstanding Section 531.0736(e), Government  
17 Code, as added by this article, the executive commissioner shall  
18 designate as close to one-half as possible of the members to serve  
19 for terms expiring March 1, 2018, and the remaining members to serve  
20 for terms expiring March 1, 2020.

21 (i) Not later than February 1, 2016, and before making  
22 initial appointments to the Drug Utilization Review Board as  
23 provided by Subsection (h) of this section, the executive  
24 commissioner of the Health and Human Services Commission shall  
25 adopt and implement the application process required under Section  
26 531.0736(c-1), Government Code, as added by this article.

27 (j) Not later than May 1, 2016, and except as provided by

1 Subsection (i) of this section, the executive commissioner of the  
2 Health and Human Services Commission shall adopt or amend rules as  
3 necessary to reflect the changes in law made to the Drug Utilization  
4 Review Board under Section 531.0736, Government Code, as added by  
5 this article, including rules that reflect the changes to the  
6 board's functions and composition.

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

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

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

13 Sec. 531.124. COMMISSION DUTIES. The [~~(a) With the advice~~  
14 ~~of the advisory board, the~~] commission shall develop and, subject  
15 to appropriations, implement a plan to:

16 (1) ensure that each incapacitated individual in this  
17 state who needs a guardianship or another less restrictive type of  
18 assistance to make decisions concerning the incapacitated  
19 individual's own welfare and financial affairs receives that  
20 assistance; and

21 (2) foster the establishment and growth of local  
22 volunteer guardianship programs.

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

27 SECTION 2.11. Section 531.907(a), Government Code, as

1 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
2 2015, is amended to read as follows:

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

7 (1) providing an electronic health record for each  
8 child enrolled in the child health plan program;

9 (2) including state laboratory results information in  
10 an electronic health record, including the results of newborn  
11 screenings and tests conducted under the Texas Health Steps  
12 program, based on the system developed for the health passport  
13 under Section 266.006, Family Code;

14 (3) improving data-gathering capabilities for an  
15 electronic health record so that the record may include basic  
16 health and clinical information in addition to available claims  
17 information, as determined by the executive commissioner;

18 (4) using evidence-based technology tools to create a  
19 unique health profile to alert health care providers regarding the  
20 need for additional care, education, counseling, or health  
21 management activities for specific patients; and

22 (5) continuing to enhance the electronic health record  
23 created for each Medicaid recipient as technology becomes available  
24 and interoperability capabilities improve.

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

27 Sec. 531.909. INCENTIVES. The commission [~~and the advisory~~

1 ~~committee established under Section 531.904]~~ shall develop  
2 strategies to encourage health care providers to use the health  
3 information exchange system, including incentives, education, and  
4 outreach tools to increase usage.

5 SECTION 2.13. Section 533.00251(c), Government Code, as  
6 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
7 2015, is amended to read as follows:

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

14 (1) that the commission is responsible for setting the  
15 minimum reimbursement rate paid to a nursing facility under the  
16 managed care program, including the staff rate enhancement paid to  
17 a nursing facility that qualifies for the enhancement;

18 (2) that a nursing facility is paid not later than the  
19 10th day after the date the facility submits a clean claim;

20 (3) the appropriate utilization of services  
21 consistent with criteria established by the commission;

22 (4) a reduction in the incidence of potentially  
23 preventable events and unnecessary institutionalizations;

24 (5) that a managed care organization providing  
25 services under the managed care program provides discharge  
26 planning, transitional care, and other education programs to  
27 physicians and hospitals regarding all available long-term care

1 settings;

2 (6) that a managed care organization providing  
3 services under the managed care program:

4 (A) assists in collecting applied income from  
5 recipients; and

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

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

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

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

23 (A) acute care professionals; and

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

27 SECTION 2.14. Section [533.00253](#), Government Code, is

1 amended by amending Subsection (b), as amended by S.B. 219, Acts of  
2 the 84th Legislature, Regular Session, 2015, and Subsection (f) to  
3 read as follows:

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

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

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

16 (3) improve the health outcomes of recipients;

17 (4) improve recipients' access to health care  
18 services;

19 (5) achieve cost containment and cost efficiency;

20 (6) reduce the administrative complexity of  
21 delivering Medicaid benefits;

22 (7) reduce the incidence of unnecessary  
23 institutionalizations and potentially preventable events by  
24 ensuring the availability of appropriate services and care  
25 management;

26 (8) require a health home; and

27 (9) coordinate and collaborate with long-term care

1 service providers and long-term care management providers, if  
2 recipients are receiving long-term services and supports outside of  
3 the managed care organization.

4 (f) The commission shall seek ongoing input from the  
5 Children's Policy Council regarding the establishment and  
6 implementation of the STAR Kids managed care program. This  
7 subsection expires on the date the Children's Policy Council is  
8 abolished under Section 22.035(n), Human Resources Code.

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

11 (f) On the first anniversary of the date the commission  
12 completes implementation of the STAR Kids Medicaid managed care  
13 program under Section 533.00253 [September 1, 2016]:

14 (1) the advisory committee is abolished; and

15 (2) this section expires.

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

18 (a) In consultation with [~~the Medicaid and CHIP~~  
19 ~~Quality-Based Payment Advisory Committee established under Section~~  
20 ~~536.002 and other~~] appropriate stakeholders with an interest in the  
21 provision of acute care services and long-term services and  
22 supports under the Medicaid managed care program, the commission  
23 shall:

24 (1) establish a clinical improvement program to  
25 identify goals designed to improve quality of care and care  
26 management and to reduce potentially preventable events, as defined  
27 by Section 536.001; and

1           (2) require managed care organizations to develop and  
2 implement collaborative program improvement strategies to address  
3 the goals.

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

6           (g) On the one-year anniversary of the date the commission  
7 completes implementation of the transition required under Section  
8 534.202 [January 1, 2024]:

9           (1) the advisory committee is abolished; and

10          (2) this section expires.

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

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

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

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



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

8 (b) The governor ~~[executive commissioner]~~, in consultation  
9 with the presiding officer of the interagency coordinating group,  
10 shall appoint as members of the council two representatives from  
11 each of the following groups and entities to represent each group's  
12 and entity's appropriate sector:

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

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

23 (a) The commission shall:  
24 (1) contract with the State Commission on National and  
25 Community Service to administer funds appropriated from the account  
26 in a manner that:

- 27 (A) consolidates the capacity of and strengthens

1 national service and community and faith- and community-based  
2 initiatives; and

3 (B) leverages public and private funds to benefit  
4 this state;

5 (2) develop a competitive process to be used in  
6 awarding grants from account funds that is consistent with state  
7 law and includes objective selection criteria;

8 (3) oversee the delivery of training and other  
9 assistance activities under this subchapter;

10 (4) develop criteria limiting awards of grants under  
11 Section 535.105(1)(A) to small and medium-sized faith- and  
12 community-based organizations that provide charitable services to  
13 persons in this state;

14 (5) establish general state priorities for the  
15 account;

16 (6) establish and monitor performance and outcome  
17 measures for persons to whom grants are awarded under this  
18 subchapter; and

19 (7) establish policies and procedures to ensure that  
20 any money appropriated from the account to the commission that is  
21 allocated to build the capacity of a faith-based organization or  
22 for a faith-based initiative[~~, including money allocated for the~~  
23 ~~establishment of the advisory committee under Section 535.108,~~] is  
24 not used to advance a sectarian purpose or to engage in any form of  
25 proselytization.

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

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

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

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

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

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

19       SECTION 2.22. Section [536.003](#)(a), Government Code, as  
20 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
21 2015, is amended to read as follows:

22       (a) The commission~~[, in consultation with the advisory~~  
23 ~~committee]~~ shall develop quality-based outcome and process  
24 measures that promote the provision of efficient, quality health  
25 care and that can be used in the child health plan program and  
26 Medicaid to implement quality-based payments for acute care  
27 services and long-term services and supports across all delivery

1 models and payment systems, including fee-for-service and managed  
2 care payment systems. Subject to Subsection (a-1), the commission,  
3 in developing outcome and process measures under this section, must  
4 include measures that are based on potentially preventable events  
5 and that advance quality improvement and innovation. The  
6 commission may change measures developed:

7 (1) to promote continuous system reform, improved  
8 quality, and reduced costs; and

9 (2) to account for managed care organizations added to  
10 a service area.

11 SECTION 2.23. Section 536.004(a), Government Code, as  
12 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
13 2015, is amended to read as follows:

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

24 (1) align payment incentives with high-quality,  
25 cost-effective health care;

26 (2) reward the use of evidence-based best practices;

27 (3) promote the coordination of health care;

1           (4) encourage appropriate physician and other health  
2 care provider collaboration;

3           (5) promote effective health care delivery models; and

4           (6) take into account the specific needs of the child  
5 health plan program enrollee and Medicaid recipient populations.

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

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

9           (1) ensure transparency in the development and  
10 establishment of:

11               (A) quality-based payment and reimbursement  
12 systems under Section 536.004 and Subchapters B, C, and D,  
13 including the development of outcome and process measures under  
14 Section 536.003; and

15               (B) quality-based payment initiatives under  
16 Subchapter E, including the development of quality of care and  
17 cost-efficiency benchmarks under Section 536.204(a) and efficiency  
18 performance standards under Section 536.204(b);

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

26           (3) in developing and establishing the quality-based  
27 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.

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.

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           (1) base payments made to a participating enrollee's  
2 health home on quality and efficiency measures that may include  
3 measurable wellness and prevention criteria and use of  
4 evidence-based best practices, sharing a portion of any realized  
5 cost savings achieved by the health home, and ensuring quality of  
6 care outcomes, including a reduction in potentially preventable  
7 events; and

8           (2) allow for the examination of measurable wellness  
9 and prevention criteria, use of evidence-based best practices, and  
10 quality of care outcomes based on the type of primary or specialty  
11 care provider practice.

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

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

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

1 (a) The commission shall~~[, after consulting with the~~  
2 ~~advisory committee,~~] establish payment initiatives to test the  
3 effectiveness of quality-based payment systems, alternative  
4 payment methodologies, and high-quality, cost-effective health  
5 care delivery models that provide incentives to physicians and  
6 other health care providers to develop health care interventions  
7 for child health plan program enrollees or Medicaid recipients, or  
8 both, that will:

9 (1) improve the quality of health care provided to the  
10 enrollees or recipients;

11 (2) reduce potentially preventable events;

12 (3) promote prevention and wellness;

13 (4) increase the use of evidence-based best practices;

14 (5) increase appropriate physician and other health  
15 care provider collaboration;

16 (6) contain costs; and

17 (7) improve integration of acute care services and  
18 long-term services and supports, including discharge planning from  
19 acute care services to community-based long-term services and  
20 supports.

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

23 (a) The executive commissioner shall~~+~~

24 ~~[(1) consult with the advisory committee to]~~ develop  
25 quality of care and cost-efficiency benchmarks and measurable goals  
26 that a payment initiative must meet to ensure high-quality and  
27 cost-effective health care services and healthy outcomes~~[, and~~



1           ~~[(2) approve benchmarks and goals developed as~~  
2 ~~provided by Subdivision (1)].~~

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

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

18           SECTION 2.31. Section 538.052(a), Government Code, as  
19 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
20 2015, is amended to read as follows:

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

- 24           (1) a member of the state legislature;  
25           (2) the executive commissioner;  
26           (3) the commissioner of aging and disability services;  
27           (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].~~

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.

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

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

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

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

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

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

26          (1) provide for a balanced representation of the  
27 general public, providers, consumers, and other persons, state

1 agencies, or groups with knowledge of and interest in the  
2 committee's field of work; and

3 (2) include one member who is the representative of a  
4 managed care organization.

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

10 SECTION 2.36. Section 32.0641(a), Human Resources Code, as  
11 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,  
12 2015, is amended to read as follows:

13 (a) To the extent permitted under and in a manner that is  
14 consistent with Title XIX, Social Security Act (42 U.S.C. Section  
15 1396 et seq.) and any other applicable law or regulation or under a  
16 federal waiver or other authorization, the executive commissioner  
17 shall adopt~~[, after consulting with the Medicaid and CHIP~~  
18 ~~Quality-Based Payment Advisory Committee established under Section~~  
19 ~~536.002, Government Code,~~] cost-sharing provisions that encourage  
20 personal accountability and appropriate utilization of health care  
21 services, including a cost-sharing provision applicable to a  
22 recipient who chooses to receive a nonemergency medical service  
23 through a hospital emergency room.

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

26 (b) The commissioner by rule shall require a health benefit  
27 plan issuer to provide adequate training to personnel responsible

1 for preauthorization of coverage or utilization review under the  
2 plan. The purpose of the training is to prevent denial of coverage  
3 in violation of Section 1352.003 and to avoid confusion of medical  
4 benefits with mental health benefits. The commissioner~~[, in~~  
5 ~~consultation with the Texas Traumatic Brain Injury Advisory~~  
6 ~~Council,~~] shall prescribe by rule the basic requirements for the  
7 training described by this subsection.

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

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

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

- 17 (1) Section 531.0217(j);
- 18 (2) Section 531.02172;
- 19 (3) Section 531.02173(c);
- 20 (4) Section 531.052;
- 21 (5) Section 531.0571;
- 22 (6) Section 531.068;
- 23 (7) Sections 531.121(1), (5), and (6);
- 24 (8) Section 531.122;
- 25 (9) Section 531.123;
- 26 (10) Section 531.1235;
- 27 (11) Section 531.251;

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

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

- 19 (1) Subchapter C, Chapter 32;
- 20 (2) Section 62.151(e);
- 21 (3) Section 62.1571(c);
- 22 (4) Section 81.010;
- 23 (5) Section 92.011;
- 24 (6) Subchapter B, Chapter 92;
- 25 (7) Chapter 115;
- 26 (8) Section 1002.001(1);
- 27 (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.

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

1 Advisory Committee;

2           (11) each Medicaid managed care advisory committee  
3 appointed for a health care service region under Subchapter B,  
4 Chapter 533, Government Code;

5           (12) the Public Assistance Health Benefit Review and  
6 Design Committee;

7           (13) the renewing our communities account advisory  
8 committee;

9           (14) the STAR + PLUS Nursing Facility Advisory  
10 Committee;

11           (15) the STAR + PLUS Quality Council;

12           (16) the state Medicaid managed care advisory  
13 committee;

14           (17) the task force on domestic violence;

15           (18) the Interagency Task Force for Children With  
16 Special Needs;

17           (19) the telemedicine and telehealth advisory  
18 committee;

19           (20) the board of directors of the Texas Institute of  
20 Health Care Quality and Efficiency;

21           (21) the Texas System of Care Consortium;

22           (22) the Texas Traumatic Brain Injury Advisory  
23 Council; and

24           (23) the volunteer advocate program advisory  
25 committee.

26       SECTION 2.41. (a) Not later than November 1, 2015, the  
27 executive commissioner of the Health and Human Services Commission



1 shall publish in the Texas Register:

2 (1) a list of the new advisory committees established  
3 or to be established as a result of this article, including the  
4 advisory committees required under Section 531.012(a), Government  
5 Code, as amended by this article; and

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

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

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

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

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

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

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

22 SECTION 3.01. If an entity that is abolished by this Act has  
23 property, records, or other assets, the Health and Human Services  
24 Commission shall take custody of the entity's property, records, or  
25 other assets.

26 SECTION 3.02. If before implementing any provision of this  
27 Act a state agency determines that a waiver or authorization from a

1 federal agency is necessary for implementation of that provision,  
2 the agency affected by the provision shall request the waiver or  
3 authorization and may delay implementing that provision until the  
4 waiver or authorization is granted.

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