

By: Nelson, et al.

S.B. No. 200

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Health and Human Services Commission and the provision of health and human services in this state.

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

ARTICLE 1. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM

SECTION 1.01. (a) Chapter 531, Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM

Sec. 531.02001. CONSOLIDATION OF HEALTH AND HUMAN SERVICES SYSTEM GENERALLY. In accordance with this subchapter, the functions of the health and human services system described under Sections 531.0201, 531.02011, and 531.02012 are consolidated through a phased transfer of those functions under which:

(1) the initial transfers required under Section 531.0201 occur:

(A) on or after the date on which the executive commissioner submits the transition plan to the required persons under Section 531.0204(e); and

(B) not later than September 1, 2016;

(2) the final transfers required under Section 531.02011 occur:

(A) on or after September 1, 2016; and

(B) not later than September 1, 2017; and

1 (3) transfers of administrative support services
2 functions occur in accordance with Section 531.02012.

3 Sec. 531.02002. MEANING OF FUNCTION IN RELATION TO
4 TRANSFERS. For purposes of the transfers mandated by this
5 subchapter, "function" includes a power, duty, program, or activity
6 of a state agency or entity.

7 Sec. 531.0201. PHASE ONE: INITIAL TRANSFERS. (a) On the
8 dates specified in the transition plan required under Section
9 531.0204, the following functions are transferred to the commission
10 as provided by this subchapter:

11 (1) all functions, including any remaining
12 administrative support services functions, of each state agency and
13 entity subject to abolition under Section 531.0202(a); and

14 (2) except as provided by Section 531.02013, all
15 client services of the health and human services system, including
16 client services functions performed by the following:

17 (A) the state agency subject to abolition under
18 Section 531.0202(b);

19 (B) the Department of Family and Protective
20 Services; and

21 (C) the Department of State Health Services.

22 (b) On the dates specified in the transition plan required
23 under Section 531.0204, all functions in the health and human
24 services system related to prevention and early intervention
25 services, including the Nurse-Family Partnership Competitive Grant
26 Program under Subchapter C, Chapter 265, Family Code, are
27 transferred to the Department of Family and Protective Services.

Sec. 531.02011. PHASE TWO: FINAL TRANSFERS TO COMMISSION.

On the dates specified in the transition plan required under Section 531.0204, the following functions are transferred to the commission as provided by this subchapter:

(1) all functions of the state agency subject to abolition under Section 531.0202(b) that remained with the agency after the initial transfer of functions under Section 531.0201 or a transfer of administrative support services functions under Section 531.02012;

(2) regulatory functions and functions related to state-operated institutions of the Department of State Health Services; and

(3) regulatory functions of the Department of Family and Protective Services.

Sec. 531.02012. TRANSFER AND CONSOLIDATION OF ADMINISTRATIVE SUPPORT SERVICES FUNCTIONS. (a) In this section, "administrative support services" has the meaning assigned under Section 531.00553.

(b) As soon as practicable after the first day of the period prescribed by Section 531.02001(1) and not later than the last day of the period prescribed by Section 531.02001(2), in accordance with and on the dates specified in the transition plan required under Section 531.0204, the executive commissioner shall, after consulting with affected state agencies and divisions, transfer and consolidate within the commission administrative support services functions of the health and human services system to the extent consolidation of those support services functions is feasible and

1 contributes to the effective performance of the system.
2 Consolidation of an administrative support services function under
3 this section must be conducted in accordance with the principles
4 and requirements for organization of administrative support
5 services under Section 531.00553(c).

6 (c) Consultation with affected state agencies and divisions
7 under Subsection (b) must be conducted in a manner that ensures
8 client services are, at most, only minimally affected, and must
9 result in a memorandum of understanding or other agreement between
10 the commission and each affected agency or division that:

11 (1) details measurable performance goals that the
12 commission is expected to meet;

13 (2) identifies a means by which the agency or division
14 may seek permission from the executive commissioner to find an
15 alternative way to address the needs of the agency or division, as
16 appropriate;

17 (3) identifies steps to ensure that programs under the
18 health and human services system, whether large or small, receive
19 administrative support services that are adequate to meet the
20 program's needs; and

21 (4) if appropriate, specifies that staff responsible
22 for providing administrative support services consolidated within
23 the commission are located in the area where persons requiring
24 those services are located to ensure the staff understands related
25 program needs and can respond to those needs in a timely manner.

26 Sec. 531.02013. FUNCTIONS REMAINING WITH CERTAIN AGENCIES.
27 The following functions are not subject to transfer under Sections

531.0201 and 531.02011:

(1) the functions of the Department of Family and Protective Services, including the statewide intake of reports and other information, related to the following:

(A) child protective services, including services that are required by federal law to be provided by this state's child welfare agency;

(B) adult protective services, other than investigations of the alleged abuse, neglect, or exploitation of an elderly person or person with a disability:

(i) in a facility operated, or in a facility or by a person licensed, certified, or registered, by a state agency; or

(ii) by a provider that has contracted to provide home and community-based services; and

(C) prevention and early intervention services; and

(2) the public health functions of the Department of State Health Services, including health care data collection and maintenance of the Texas Health Care Information Collection program.

Sec. 531.02014. RELATED TRANSFERS; EFFECT OF CONSOLIDATION. (a) All of the following that relate to a function that is transferred under Section 531.0201, 531.02011, or 531.02012 are transferred to the commission or the Department of Family and Protective Services, as applicable, on the date the related function is transferred as specified in the transition plan

required under Section 531.0204:

(1) all obligations and contracts, including obligations and contracts related to a grant program;

(2) all property and records in the custody of the state agency or entity from which the function is transferred;

(3) all funds appropriated by the legislature and other money; and

(4) all complaints, investigations, or contested cases that are pending before the state agency or entity from which the function is transferred or a governing person or entity of the state agency or entity, without change in status.

(b) A rule, policy, or form adopted by or on behalf of a state agency or entity from which functions are transferred under Section 531.0201, 531.02011, or 531.02012 that relates to a function that is transferred under one of those sections becomes a rule, policy, or form of the receiving state agency upon transfer of the related function and remains in effect:

(1) until altered by the commission or other receiving state agency, as applicable; or

(2) unless it conflicts with a rule, policy, or form of the receiving state agency.

(c) A license, permit, or certification in effect that was issued by a state agency or entity from which functions are transferred under Section 531.0201 or 531.02011 that relates to a function that is transferred under either of those sections is continued in effect as a license, permit, or certification of the commission upon transfer of the related function until the license,

permit, or certification expires, is suspended or revoked, or otherwise becomes invalid.

Sec. 531.0202. ABOLITION OF STATE AGENCIES AND ENTITIES; EFFECT OF TRANSFERS. (a) Each of the following state agencies and entities is abolished on a date that is within the period prescribed by Section 531.02001(1), that is specified in the transition plan required under Section 531.0204 for the abolition of the agency or entity, and that occurs after all of the agency's or entity's functions have been transferred in accordance with Section 531.0201:

(1) the Department of Assistive and Rehabilitative Services;

(2) the Health and Human Services Council;

(3) the Aging and Disability Services Council;

(4) the Assistive and Rehabilitative Services Council;

(5) the Family and Protective Services Council;

(6) the State Health Services Council;

(7) the Office for the Prevention of Developmental Disabilities; and

(8) the Texas Council on Autism and Pervasive Developmental Disorders.

(b) The Department of Aging and Disability Services is abolished on a date that is within the period prescribed by Section 531.02001(2), that is specified in the transition plan required under Section 531.0204 for the abolition of the department, and that occurs after all of the department's functions have been

1 transferred to the commission in accordance with Sections 531.0201
2 and 531.02011.

3 (c) The abolition of a state agency or entity listed in
4 Subsection (a) or (b) and the transfer of its functions and related
5 obligations, rights, contracts, records, property, and funds as
6 provided by this subchapter and the transfer of functions and
7 related obligations, rights, contracts, records, property, and
8 funds to or from the Department of Family and Protective Services
9 and from the Department of State Health Services as provided by this
10 subchapter do not affect or impair an act done, any obligation,
11 right, order, permit, certificate, rule, criterion, standard, or
12 requirement existing, or any penalty accrued under former law, and
13 that law remains in effect for any action concerning those matters.

14 Sec. 531.0203. HEALTH AND HUMAN SERVICES TRANSITION
15 LEGISLATIVE OVERSIGHT COMMITTEE. (a) In this section,
16 "committee" means the Health and Human Services Transition
17 Legislative Oversight Committee established under this section.

18 (b) The Health and Human Services Transition Legislative
19 Oversight Committee is created to facilitate the transfer of
20 functions under Sections 531.0201, 531.02011, and 531.02012 with
21 minimal negative effect on the delivery of services to which those
22 functions relate.

23 (c) The committee is composed of 11 voting members, as
24 follows:

25 (1) four members of the senate, appointed by the
26 lieutenant governor;

27 (2) four members of the house of representatives,

1 appointed by the speaker of the house of representatives; and

2 (3) three members of the public, appointed by the
3 governor.

4 (d) The executive commissioner serves as an ex officio,
5 nonvoting member of the committee.

6 (e) A member of the committee serves at the pleasure of the
7 appointing official.

8 (f) The lieutenant governor and the speaker of the house of
9 representatives shall each designate a presiding co-chair from
10 among their respective appointments.

11 (g) A member of the committee may not receive compensation
12 for serving on the committee but is entitled to reimbursement for
13 travel expenses incurred by the member while conducting the
14 business of the committee as provided by the General Appropriations
15 Act.

16 (h) The committee shall:

17 (1) facilitate the transfer of functions under
18 Sections 531.0201, 531.02011, and 531.02012 with minimal negative
19 effect on the delivery of services to which those functions relate;

20 (2) with assistance from the commission and the state
21 agencies and entities from which functions are transferred under
22 Sections 531.0201, 531.02011, and 531.02012, advise the executive
23 commissioner concerning:

24 (A) the functions to be transferred under this
25 subchapter and the funds and obligations that are related to the
26 functions;

27 (B) the transfer of the functions and related

records, property, funds, and obligations by the state agencies and entities as provided by this subchapter; and

(C) the reorganization of the commission's administrative structure in accordance with this subchapter, Sections 531.0055, 531.00553, 531.00561, 531.00562, and 531.008, and other provisions enacted by the 84th Legislature that become law; and

(3) meet:

(A) during the period between the establishment of the committee and September 1, 2017, at least quarterly at the call of either chair, in addition to meeting at other times as determined appropriate by either chair;

(B) during the period between September 2, 2017, and December 31, 2019, at least semiannually at the call of either chair, in addition to meeting at other times as determined appropriate by either chair; and

(C) during the period between January 1, 2020, and August 31, 2023, at least annually at the call of either chair, in addition to meeting at other times as determined appropriate by either chair.

(i) Chapter 551 applies to the committee.

(j) The committee shall submit a report to the governor, lieutenant governor, speaker of the house of representatives, and legislature not later than December 1 of each even-numbered year. The report must include an update on the progress of and issues related to:

(1) the transfer of functions under Sections 531.0201,

1 531.02011, and 531.02012 to the commission and the Department of
2 Family and Protective Services, including the need for any
3 additional statutory changes required to complete the transfer of
4 prevention and early intervention services functions to the
5 department in accordance with this subchapter; and

6 (2) the reorganization of the commission's
7 administrative structure in accordance with this subchapter,
8 Sections 531.0055, 531.00553, 531.00561, 531.00562, and 531.008,
9 and other provisions enacted by the 84th Legislature that become
10 law.

11 (k) The committee is abolished September 1, 2023.

12 Sec. 531.02031. STUDY ON CONTINUING NEED FOR CERTAIN STATE
13 AGENCIES. (a) Not later than September 1, 2018, the executive
14 commissioner shall conduct a study and submit a report and
15 recommendation to the Health and Human Services Transition
16 Legislative Oversight Committee regarding the need to continue the
17 Department of Family and Protective Services and the Department of
18 State Health Services as state agencies separate from the
19 commission.

20 (b) Not later than December 1, 2018, the Health and Human
21 Services Transition Legislative Oversight Committee shall review
22 the report and recommendation submitted under Subsection (a) and
23 submit a report and recommendation to the legislature regarding the
24 need to continue the Department of Family and Protective Services
25 and the Department of State Health Services as state agencies
26 separate from the commission.

27 (c) The Health and Human Services Transition Legislative

Oversight Committee shall include the following in the report submitted to the legislature under Subsection (b):

(1) an evaluation of the transfer of prevention and early intervention services functions to the Department of Family and Protective Services as provided by this subchapter, including an evaluation of:

(A) any increased coordination and efficiency in the operation of the programs achieved as a result of the transfer;

(B) the department's coordination with other state agency programs providing similar prevention and early intervention services; and

(C) the department's interaction with stakeholders and other interested parties in performing the department's functions; and

(2) any recommendations concerning the transfer of prevention and early intervention services functions of the department to another state agency.

Sec. 531.0204. TRANSITION PLAN FOR IMPLEMENTATION OF CONSOLIDATION. (a) The transfers of functions under Sections 531.0201, 531.02011, and 531.02012 must be accomplished in accordance with a transition plan developed by the executive commissioner that ensures that the transfers and provision of health and human services in this state are accomplished in a careful and deliberative manner. The transition plan must:

(1) include an outline of the commission's reorganized structure, including its divisions, in accordance with this subchapter, Sections 531.00561, 531.00562, and [531.008](#), and other

1 provisions enacted by the 84th Legislature that become law;

2 (2) include details regarding movement of functions
3 and a timeline that, subject to the periods prescribed by Section
4 531.02001, specifies the dates on which:

5 (A) the transfers under Sections 531.0201,
6 531.02011, and 531.02012 are to be made;

7 (B) each state agency or entity subject to
8 abolition under Section 531.0202 is abolished; and

9 (C) each division of the commission is created
10 and the division's director is appointed;

11 (3) for purposes of Sections 531.0201, 531.02011, and
12 531.02013, define:

13 (A) client services functions;

14 (B) regulatory functions;

15 (C) public health functions; and

16 (D) functions related to:

17 (i) state-operated institutions;

18 (ii) child protective services;

19 (iii) adult protective services; and

20 (iv) prevention and early intervention
21 services; and

22 (4) include an evaluation and determination of the
23 feasibility and potential effectiveness of consolidating
24 administrative support services into the commission in accordance
25 with Section 531.02012, including a report of:

26 (A) the specific support services that will be
27 consolidated within the commission;

1 (B) a timeline that details when specific support
2 services will be consolidated, including a description of the
3 support services that will transfer by the last day of each period
4 prescribed by Section 531.02001; and

5 (C) measures the commission will take to ensure
6 information resources and contracting support services continue to
7 operate properly across the health and human services system under
8 any consolidation of administrative support services.

9 (b) In defining the transferred functions under Subsection
10 (a)(3), the executive commissioner shall ensure that:

11 (1) not later than the last day of the period
12 prescribed by Section 531.02001(1), all functions of an agency or
13 entity subject to abolition under Section 531.0202(a) are
14 transferred to the commission or the Department of Family and
15 Protective Services, as applicable;

16 (2) the transferred prevention and early intervention
17 services functions to the Department of Family and Protective
18 Services include:

19 (A) prevention and early intervention services
20 as defined under Section 265.001, Family Code; and

21 (B) programs that:
22 (i) provide parent education;
23 (ii) promote healthier parent-child
24 relationships; or

25 (iii) prevent family violence; and

26 (3) not later than the last day of the period
27 prescribed by Section 531.02001(2), all functions of the agency

1 subject to abolition under Section 531.0202(b) are transferred to
2 the commission.

3 (c) In developing the transition plan, the executive
4 commissioner shall, before submitting the plan to the Health and
5 Human Services Transition Legislative Oversight Committee, the
6 governor, and the Legislative Budget Board as required by
7 Subsection (e):

8 (1) hold public hearings in various geographic areas
9 in this state regarding the plan; and

10 (2) solicit and consider input from appropriate
11 stakeholders.

12 (d) Within the periods prescribed by Section 531.02001:

13 (1) the commission shall begin administering the
14 respective functions assigned to the commission under Sections
15 531.0201 and 531.02011, as applicable; and

16 (2) the Department of Family and Protective Services
17 shall begin administering the functions assigned to the department
18 under Section 531.0201.

19 (d-1) The assumption of the administration of the functions
20 transferred to the commission and the Department of Family and
21 Protective Services under Sections 531.0201 and 531.02011, as
22 applicable, must be accomplished in accordance with the transition
23 plan.

24 (e) The executive commissioner shall submit the transition
25 plan to the Health and Human Services Transition Legislative
26 Oversight Committee, the governor, and the Legislative Budget Board
27 not later than March 1, 2016. The Health and Human Services

1 Transition Legislative Oversight Committee shall comment on and
2 make recommendations to the executive commissioner regarding any
3 concerns or adjustments to the transition plan the committee
4 determines appropriate. The executive commissioner may not
5 finalize the transition plan until the executive commissioner has
6 reviewed and considered the comments and recommendations of the
7 committee regarding the transition plan.

8 (f) The executive commissioner shall publish in the Texas
9 Register:

- 10 (1) the transition plan developed under this section;
11 (2) any adjustments to the transition plan recommended
12 by the Health and Human Services Transition Legislative Oversight
13 Committee;
14 (3) a statement regarding whether the executive
15 commissioner adopted or otherwise incorporated the recommended
16 adjustments; and
17 (4) if the executive commissioner did not adopt a
18 recommended adjustment, the justification for not adopting the
19 adjustment.

20 Sec. 531.02041. REQUIRED REPORTS AFTER TRANSITION PLAN
21 SUBMISSION. If, at any time after the executive commissioner
22 submits the transition plan in accordance with Section 531.0204(e),
23 the executive commissioner proposes to make a substantial
24 organizational change to the health and human services system that
25 was not included in the transition plan, the executive commissioner
26 shall, before implementing the proposed change, submit a report
27 detailing the proposed change to the Health and Human Services

1 Transition Legislative Oversight Committee.

2 Sec. 531.0205. APPLICABILITY OF FORMER LAW. An action
3 brought or proceeding commenced before the date of a transfer
4 prescribed by this subchapter in accordance with the transition
5 plan required under Section 531.0204, including a contested case or
6 a remand of an action or proceeding by a reviewing court, is
7 governed by the laws and rules applicable to the action or
8 proceeding before the transfer.

9 Sec. 531.0206. LIMITED-SCOPE SUNSET REVIEW. (a) The
10 Sunset Advisory Commission shall conduct a limited-scope review of
11 the commission during the state fiscal biennium ending August 31,
12 2023, in the manner provided by Chapter 325 (Texas Sunset Act). The
13 review must provide:

14 (1) an update on the commission's progress with
15 respect to the consolidation of the health and human services
16 system mandated by this subchapter, including the commission's
17 compliance with the transition plan required under Section
18 531.0204;

19 (2) an evaluation and recommendations regarding the
20 need to continue the Department of Family and Protective Services
21 and the Department of State Health Services as state agencies
22 separate from the commission; and

23 (3) any additional information the Sunset Advisory
24 Commission determines appropriate, including information regarding
25 any additional organizational changes the Sunset Advisory
26 Commission recommends.

27 (b) The commission is not abolished solely because the

1 commission is not explicitly continued following the review
2 required by this section.

3 Sec. 531.0207. EXPIRATION OF SUBCHAPTER. This subchapter
4 expires September 1, 2023.

5 (b) Not later than October 1, 2015:

6 (1) the lieutenant governor, the speaker of the house
7 of representatives, and the governor shall make the appointments to
8 the Health and Human Services Transition Legislative Oversight
9 Committee as required by Section 531.0203(c), Government Code, as
10 added by this article; and

11 (2) the lieutenant governor and the speaker of the
12 house of representatives shall each designate a presiding co-chair
13 of the Health and Human Services Transition Legislative Oversight
14 Committee in accordance with Section 531.0203(f), Government Code,
15 as added by this article.

16 (c) As soon as appropriate under the consolidation under
17 Subchapter A-1, Chapter 531, Government Code, as added by this
18 article, and in a manner that minimizes disruption of services, the
19 Health and Human Services Commission shall take appropriate action
20 to be designated as the state agency responsible under federal law
21 for any state or federal program that is transferred to the
22 commission in accordance with that subchapter and for which federal
23 law requires the designation of a responsible state agency.

24 (d) Notwithstanding Section 531.0201, 531.02011, or
25 531.02012, Government Code, as added by this article, a power,
26 duty, program, function, or activity of the Department of Assistive
27 and Rehabilitative Services may not be transferred to the Health

and Human Services Commission under that section if:

(1) H.B. No. 3294 or S.B. No. 208, 84th Legislature, Regular Session, 2015, or similar legislation of the 84th Legislature, Regular Session, 2015, is enacted, becomes law, and provides for the transfer of the power, duty, program, function, or activity to the Texas Workforce Commission subject to receipt of any necessary federal approval or other authorization for the transfer to occur; and

(2) the Department of Assistive and Rehabilitative Services or the Texas Workforce Commission receives the necessary federal approval or other authorization to enable the transfer to occur not later than September 1, 2016.

(e) If neither the Department of Assistive and Rehabilitative Services nor the Texas Workforce Commission receives the federal approval or other authorization described by Subsection (d) of this section to enable the transfer of the power, duty, program, function, or activity to the Texas Workforce Commission to occur not later than September 1, 2016, as provided by the legislation described by Subsection (d) of this section, the power, duty, program, function, or activity of the Department of Assistive and Rehabilitative Services transfers to the Health and Human Services Commission in accordance with Section 531.0201 or 531.02011, Government Code, as added by this article, and the transition plan required under Section 531.0204, Government Code, as added by this article.

SECTION 1.02. Subchapter A, Chapter 531, Government Code, is amended by adding Sections 531.0011 and 531.0012 to read as

follows:

Sec. 531.0011. REFERENCES IN LAW MEANING COMMISSION OR APPROPRIATE DIVISION. (a) In this code or in any other law, a reference to any of the following state agencies or entities in relation to a function transferred to the commission under Section 531.0201, 531.02011, or 531.02012, as applicable, means the commission or the division of the commission performing the function previously performed by the state agency or entity before the transfer, as appropriate:

(1) health and human services agency;

(2) the Department of State Health Services;

(3) the Department of Aging and Disability Services;

(4) the Department of Family and Protective Services;

or

(5) the Department of Assistive and Rehabilitative Services.

(b) In this code or in any other law and notwithstanding any other law, a reference to any of the following state agencies or entities in relation to a function transferred to the commission under Section 531.0201, 531.02011, or 531.02012, as applicable, from the state agency that assumed the relevant function in accordance with Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, means the commission or the division of the commission performing the function previously performed by the agency that assumed the function before the transfer, as appropriate:

(1) the Texas Department on Aging;

1 (2) the Texas Commission on Alcohol and Drug Abuse;
2 (3) the Texas Commission for the Blind;
3 (4) the Texas Commission for the Deaf and Hard of
4 Hearing;
5 (5) the Texas Department of Health;
6 (6) the Texas Department of Human Services;
7 (7) the Texas Department of Mental Health and Mental
8 Retardation;
9 (8) the Texas Rehabilitation Commission;
10 (9) the Texas Health Care Information Council; or
11 (10) the Interagency Council on Early Childhood
12 Intervention.

13 (c) In this code or in any other law and notwithstanding any
14 other law, a reference to the Department of Protective and
15 Regulatory Services in relation to a function transferred under
16 Section 531.0201, 531.02011, or 531.02012, as applicable, from the
17 Department of Family and Protective Services means the commission
18 or the division of the commission performing the function
19 previously performed by the Department of Family and Protective
20 Services before the transfer.

21 (d) This section applies notwithstanding Section
22 531.001(4).

23 Sec. 531.0012. REFERENCES IN LAW MEANING EXECUTIVE
24 COMMISSIONER OR DESIGNEE. (a) In this code or in any other law, a
25 reference to any of the following persons in relation to a function
26 transferred to the commission under Section 531.0201, 531.02011, or
27 531.02012, as applicable, means the executive commissioner, the

executive commissioner's designee, or the director of the division of the commission performing the function previously performed by the state agency from which it was transferred and that the person represented, as appropriate:

(1) the commissioner of aging and disability services;

(2) the commissioner of assistive and rehabilitative services;

(3) the commissioner of state health services; or

(4) the commissioner of the Department of Family and Protective Services.

(b) In this code or in any other law and notwithstanding any other law, a reference to any of the following persons or entities in relation to a function transferred to the commission under Section 531.0201, 531.02011, or 531.02012, as applicable, from the state agency that assumed or continued to perform the function in accordance with Chapter 198 (H.B. 2292), Acts of the 78th Legislature, Regular Session, 2003, means the executive commissioner or the director of the division of the commission performing the function performed before the enactment of Chapter 198 (H.B. 2292) by the state agency that was abolished or renamed by Chapter 198 (H.B. 2292) and that the person or entity represented:

(1) an executive director or other chief administrative officer of a state agency listed in Section 531.0011(b) or of the Department of Protective and Regulatory Services; or

(2) the governing body of a state agency listed in Section 531.0011(b) or of the Department of Protective and

1 Regulatory Services.

2 (c) A reference to any of the following councils means the
3 executive commissioner or the executive commissioner's designee,
4 as appropriate, and a function of any of the following councils is a
5 function of that appropriate person:

6 (1) the Health and Human Services Council;

7 (2) the Aging and Disability Services Council;

8 (3) the Assistive and Rehabilitative Services
9 Council;

10 (4) the Family and Protective Services Council; or

11 (5) the State Health Services Council.

12 SECTION 1.03. (a) Subchapter A, Chapter 531, Government
13 Code, is amended by adding Section 531.0051 to read as follows:

14 Sec. 531.0051. HEALTH AND HUMAN SERVICES COMMISSION
15 EXECUTIVE COUNCIL. (a) The Health and Human Services Commission
16 Executive Council is established to receive public input and advise
17 the executive commissioner regarding the operation of the
18 commission. The council shall seek and receive public comment on:

19 (1) proposed rules;

20 (2) recommendations of advisory committees;

21 (3) legislative appropriations requests or other
22 documents related to the appropriations process;

23 (4) the operation of health and human services
24 programs; and

25 (5) other items the executive commissioner determines
26 appropriate.

27 (b) The council does not have authority to make

1 administrative or policy decisions.

2 (c) The council is composed of:

3 (1) the executive commissioner;

4 (2) the director of each division established by the
5 executive commissioner under Section 531.008(c);

6 (3) the commissioner of a health and human services
7 agency; and

8 (4) other individuals appointed by the executive
9 commissioner as the executive commissioner determines necessary.

10 (c-1) To the extent the executive commissioner appoints
11 members to the council under Subsection (c)(4), the executive
12 commissioner shall make every effort to ensure that those
13 appointments result in a council membership that includes:

14 (1) a balanced representation of a broad range of
15 health and human services industry and consumer interests; and

16 (2) representation from broad geographic regions of
17 this state.

18 (d) The executive commissioner serves as the chair of the
19 council and shall adopt rules for the operation of the council.

20 (e) Members of the council appointed under Subsection
21 (c)(4):

22 (1) are subject to the restrictions applicable to
23 service on the council provided by Section 531.006(a-1); and

24 (2) serve at the pleasure of the executive
25 commissioner.

26 (f) The council shall meet at the call of the executive
27 commissioner at least quarterly. The executive commissioner may

1 call additional meetings as the executive commissioner determines
2 necessary.

3 (g) The council shall give public notice of the date, time,
4 and place of each meeting held by the council. A live video
5 transmission of each meeting must be publicly available through the
6 Internet.

7 (h) A majority of the members of the council constitute a
8 quorum for the transaction of business.

9 (i) A council member appointed under Subsection (c)(4) may
10 not receive compensation for service as a member of the council but
11 is entitled to reimbursement for travel expenses incurred by the
12 member while conducting the business of the council as provided by
13 the General Appropriations Act.

14 (j) The executive commissioner shall develop and implement
15 policies that provide the public with a reasonable opportunity to
16 appear before the council and to speak on any issue under the
17 jurisdiction of the commission.

18 (k) A meeting of individual members of the council that
19 occurs in the ordinary course of commission operation is not a
20 meeting of the council, and the requirements of Subsection (g) do
21 not apply.

22 (l) This section does not limit the authority of the
23 executive commissioner to establish additional advisory committees
24 or councils.

25 (m) Chapters 551 and 2110 do not apply to the council.

26 (b) As soon as possible after the executive commissioner of
27 the Health and Human Services Commission appoints division

1 directors in accordance with Section 531.00561, Government Code, as
2 added by this article, the Health and Human Services Commission
3 Executive Council established under Section 531.0051, Government
4 Code, as added by this article, shall begin operation.

5 SECTION 1.04. The heading to Section 531.0055, Government
6 Code, is amended to read as follows:

7 Sec. 531.0055. EXECUTIVE COMMISSIONER: GENERAL
8 RESPONSIBILITY FOR HEALTH AND HUMAN SERVICES SYSTEM [~~AGENCIES~~].

9 SECTION 1.05. Section 531.0055, Government Code, is amended
10 by amending Subsection (b), as amended by S.B. 219, Acts of the 84th
11 Legislature, Regular Session, 2015, and amending Subsections (d),
12 (e), (f), (g), (h), (k), and (l) to read as follows:

13 (b) The commission shall:

14 (1) supervise the administration and operation of
15 Medicaid, including the administration and operation of the
16 Medicaid managed care system in accordance with Section 531.021;

17 (2) perform information systems planning and
18 management for the health and human services system [~~agencies~~]
19 under Section 531.0273, with:

20 (A) the provision of information technology
21 services for the [~~at~~] health and human services system [~~agencies~~]
22 considered to be a centralized administrative support service
23 either performed by commission personnel or performed under a
24 contract with the commission; and

25 (B) an emphasis on research and implementation on
26 a demonstration or pilot basis of appropriate and efficient uses of
27 new and existing technology to improve the operation of the health

1 and human services system [~~agencies~~] and delivery of health and
2 human services;

3 (3) monitor and ensure the effective use of all
4 federal funds received for the [~~by a~~] health and human services
5 system [~~agency~~] in accordance with Section 531.028 and the General
6 Appropriations Act;

7 (4) implement Texas Integrated Enrollment Services as
8 required by Subchapter F, except that notwithstanding Subchapter F,
9 determining eligibility for benefits under the following programs
10 is the responsibility of and must be centralized by the commission:

11 (A) the child health plan program;

12 (B) the financial assistance program under
13 Chapter 31, Human Resources Code;

14 (C) Medicaid;

15 (D) the supplemental nutrition assistance
16 program under Chapter 33, Human Resources Code;

17 (E) long-term care services, as defined by
18 Section 22.0011, Human Resources Code;

19 (F) community-based support services identified
20 or provided in accordance with Section 531.02481; and

21 (G) other health and human services programs, as
22 appropriate; and

23 (5) implement programs intended to prevent family
24 violence and provide services to victims of family violence.

25 (d) After implementation of the commission's duties under
26 Subsections (b) and (c), the commission shall implement the powers
27 and duties given to the commission under Section 531.0248. Nothing

1 in the priorities established by this section is intended to limit
 2 the authority of the commission to work simultaneously to achieve
 3 the multiple tasks assigned to the commission in this section, when
 4 such an approach is beneficial in the judgment of the commission.
 5 The commission shall plan and implement an efficient and effective
 6 centralized system of administrative support services for the
 7 health and human services system in accordance with Section
 8 531.00553 [~~agencies~~]. [~~The performance of administrative support~~
 9 ~~services for health and human services agencies is the~~
 10 ~~responsibility of the commission. The term "administrative support~~
 11 ~~services" includes, but is not limited to, strategic planning and~~
 12 ~~evaluation, audit, legal, human resources, information resources,~~
 13 ~~purchasing, contract management, financial management, and~~
 14 ~~accounting services.~~]

15 (e) Notwithstanding any other law, the executive
 16 commissioner shall adopt rules and policies for the operation of
 17 and provision of health and human services by the health and human
 18 services system [~~agencies~~]. In addition, the executive
 19 commissioner, as necessary to perform the functions described by
 20 Subsections (b), (c), and (d) and Section 531.00553 in
 21 implementation of applicable policies established for a health and
 22 human services system [~~an~~] agency or division, as applicable, by
 23 the executive commissioner, shall:

- 24 (1) manage and direct the operations of each [~~health~~
 25 ~~and human services~~] agency or division, as applicable;
- 26 (2) supervise and direct the activities of each agency
 27 or division director, as applicable; and

(3) be responsible for the administrative supervision of the internal audit program for the ~~[all]~~ health and human services system agencies, including:

(A) selecting the director of internal audit;

(B) ensuring that the director of internal audit reports directly to the executive commissioner; and

(C) ensuring the independence of the internal audit function.

(f) The operational authority and responsibility of the executive commissioner for purposes of Subsection (e) for ~~[at]~~ each health and human services system agency or division, as applicable, includes authority over and responsibility for the:

(1) management of the daily operations of the agency or division, including the organization and management of the agency or division and its ~~[agency]~~ operating procedures;

(2) allocation of resources within the agency or division, including use of federal funds received by the agency or division;

(3) personnel and employment policies;

(4) contracting, purchasing, and related policies, subject to this chapter and other laws relating to contracting and purchasing by a state agency;

(5) information resources systems used by the agency or division;

(6) location of ~~[agency]~~ facilities; and

(7) coordination of agency or division activities with activities of other components of the health and human services

1 system and state agencies[, ~~including other health and human~~
2 ~~services agencies~~].

3 (g) Notwithstanding any other law, the operational
4 authority and responsibility of the executive commissioner for
5 purposes of Subsection (e) for [~~at~~] each health and human services
6 system agency or division, as applicable, includes the authority
7 and responsibility to adopt or approve, subject to applicable
8 limitations, any rate of payment or similar provision required by
9 law to be adopted or approved by a health and human services system
10 [~~the~~] agency.

11 (h) For each health and human services system agency and
12 division, as applicable, the executive commissioner shall
13 implement a program to evaluate and supervise [~~the~~] daily
14 operations [~~of the agency~~]. The program must include measurable
15 performance objectives for each agency or division director and
16 adequate reporting requirements to permit the executive
17 commissioner to perform the duties assigned to the executive
18 commissioner under this section.

19 (k) The executive commissioner and each agency director
20 shall enter into a memorandum of understanding in the manner
21 prescribed by Section 531.0163 that:

22 (1) clearly defines the responsibilities of the agency
23 director and the executive commissioner, including:

24 (A) the responsibility of the agency director to
25 report to the governor and to report to and implement policies of
26 the executive commissioner; and

27 (B) the extent to which the agency director acts

as a liaison between the agency and the commission;

(2) establishes the program of evaluation and supervision of daily operations required by Subsection (h); ~~and~~

(3) describes each delegation of a power or duty made to an agency director; and

(4) ensures that the commission and each health and human services agency has access to databases or other information maintained or kept by each other agency that is necessary for the operation of a function performed by the commission or the health and human services agency, to the extent not prohibited by other law ~~[under Subsection (i) or other law]~~.

(1) Notwithstanding any other law, the executive commissioner has the authority to adopt policies and rules governing the delivery of services to persons who are served by the ~~[each]~~ health and human services system ~~[agency]~~ and the rights and duties of persons who are served or regulated by the system ~~[each agency]~~.

SECTION 1.06. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.00553 to read as follows:

Sec. 531.00553. ADMINISTRATIVE SUPPORT SERVICES. (a) In this section, the term "administrative support services" includes strategic planning and evaluation, audit, legal, human resources, information resources, purchasing, contracting, financial management, and accounting services.

(b) Subject to Subsection (c), the executive commissioner shall plan and implement an efficient and effective centralized system of administrative support services for the health and human

1 services system. The performance of administrative support
2 services for the health and human services system is the
3 responsibility of the commission.

4 (c) The executive commissioner shall plan and implement the
5 centralized system of administrative support services in
6 accordance with the following principles and requirements:

7 (1) the executive commissioner shall consult with the
8 commissioner of each agency and with the director of each division
9 within the health and human services system to ensure the
10 commission is responsive to and addresses agency or division needs;

11 (2) consolidation of staff providing the support
12 services must be done in a manner that ensures each agency or
13 division within the health and human services system that loses
14 staff as a result of the centralization of support services has
15 adequate resources to carry out functions of the agency or
16 division, as appropriate; and

17 (3) the commission and each agency or division within
18 the health and human services system shall, as appropriate, enter
19 into a memorandum of understanding or other written agreement for
20 the purpose of ensuring accountability for the provision of
21 administrative services by clearly detailing:

22 (A) the responsibilities of each agency or
23 division and the commission;

24 (B) the points of contact for each agency or
25 division and the commission;

26 (C) the transfer of personnel among each agency
27 or division and the commission;

1 (D) the budgetary effect the agreement has on
2 each agency or division and the commission; and

3 (E) any other item determined by the executive
4 commissioner to be critical for maintaining accountability.

5 (d) The memorandum of understanding or other agreement
6 required under Subsection (c), if appropriate, may be combined with
7 the memorandum of understanding required under Section
8 531.0055(k).

9 SECTION 1.07. Section 531.0056, Government Code, is amended
10 by adding Subsection (g) to read as follows:

11 (g) The requirements of this section apply with respect to a
12 state agency listed in Section 531.001(4) only until the agency is
13 abolished under Section 531.0202.

14 SECTION 1.08. (a) Subchapter A, Chapter 531, Government
15 Code, is amended by adding Sections 531.00561 and 531.00562 to read
16 as follows:

17 Sec. 531.00561. APPOINTMENT AND QUALIFICATIONS OF DIVISION
18 DIRECTORS. (a) The executive commissioner shall appoint a
19 director for each division established within the commission under
20 Section 531.008, except that the director of the office of
21 inspector general is appointed in accordance with Section
22 531.102(a-1).

23 (b) The executive commissioner shall:

24 (1) develop clear qualifications for the director of
25 each division appointed under this section that ensure that an
26 individual appointed director has:

27 (A) demonstrated experience in fields relevant

1 to the director position; and

2 (B) executive-level administrative and
3 leadership experience; and

4 (2) ensure the qualifications developed under
5 Subdivision (1) are publicly available.

6 Sec. 531.00562. DIVISION DIRECTOR DUTIES. (a) The
7 executive commissioner shall clearly define the duties and
8 responsibilities of a division director and develop clear policies
9 for the delegation of specific decision-making authority,
10 including budget authority, to division directors.

11 (b) The delegation of decision-making authority should be
12 significant enough to ensure the efficient administration of the
13 commission's programs and services.

14 (b) The executive commissioner of the Health and Human
15 Services Commission shall implement Sections 531.00561 and
16 531.00562, Government Code, as added by this article, on the date
17 specified in the transition plan required under Section 531.0204,
18 Government Code, as added by this article.

19 SECTION 1.09. (a) Section 531.008, 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 Sec. 531.008. DIVISIONS OF COMMISSION. (a) The [~~Subject~~
23 ~~to Subsection (c), the~~] executive commissioner shall [~~may~~]
24 establish divisions within the commission along functional lines as
25 necessary for effective administration and for the discharge of the
26 commission's functions.

27 (b) The [~~Subject to Subsection (c), the~~] executive

1 commissioner may allocate and reallocate functions among the
2 commission's divisions.

3 (c) Notwithstanding Subsections (a) and (b), the ~~[The]~~
4 executive commissioner shall establish the following divisions and
5 offices within the commission:

6 (1) a medical and social services division ~~[the~~
7 ~~eligibility services division to make eligibility determinations~~
8 ~~for services provided through the commission or a health and human~~
9 ~~services agency related to:~~

10 ~~[(A) the child health plan program;~~

11 ~~[(B) the financial assistance program under~~
12 ~~Chapter 31, Human Resources Code;~~

13 ~~[(C) Medicaid;~~

14 ~~[(D) the supplemental nutrition assistance~~
15 ~~program under Chapter 33, Human Resources Code;~~

16 ~~[(E) long-term care services, as defined by~~
17 ~~Section 22.0011, Human Resources Code;~~

18 ~~[(F) community-based support services identified~~
19 ~~or provided in accordance with Section 531.02481; and~~

20 ~~[(G) other health and human services programs, as~~
21 ~~appropriate];~~

22 (2) the office of inspector general to perform fraud
23 and abuse investigation and enforcement functions as provided by
24 Subchapter C and other law;

25 (3) a regulatory division ~~[the office of the ombudsman~~
26 ~~to:~~

27 ~~[(A) provide dispute resolution services for the~~

~~commission and the health and human services agencies; and~~

~~[(B) perform consumer protection functions related to health and human services];~~

(4) an administrative division ~~[a purchasing division as provided by Section 531.017]; and~~

(5) a facilities division for the purpose of administering state facilities, including state hospitals and state supported living centers ~~[an internal audit division to conduct a program of internal auditing in accordance with Chapter 2102].~~

(d) Subsection (c) does not prohibit the executive commissioner from establishing additional divisions under Subsection (a) as the executive commissioner determines appropriate. This subsection and Subsection (c) expire September 1, 2023.

(b) The executive commissioner of the Health and Human Services Commission shall establish divisions within the commission as required under Section 531.008, Government Code, as amended by this article, on the date specified in the transition plan required under Section 531.0204, Government Code, as added by this article.

SECTION 1.10. (a) Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0083 to read as follows:

Sec. 531.0083. OFFICE OF POLICY AND PERFORMANCE. (a) In this section, "office" means the office of policy and performance established by this section.

(b) The executive commissioner shall establish the office

1 of policy and performance as an executive-level office designed to
2 coordinate policy and performance efforts across the health and
3 human services system. To coordinate those efforts, the office
4 shall:

5 (1) develop a performance management system;
6 (2) take the lead in supporting and providing
7 oversight for the implementation of major policy changes and in
8 managing organizational changes; and

9 (3) act as a centralized body of experts within the
10 commission that offers program evaluation and process improvement
11 expertise.

12 (c) In developing a performance management system under
13 Subsection (b)(1), the office shall:

14 (1) gather, measure, and evaluate performance
15 measures and accountability systems used by the health and human
16 services system;

17 (2) develop new and refined performance measures as
18 appropriate; and

19 (3) establish targeted, high-level system metrics
20 that are capable of measuring and communicating overall performance
21 and achievement of goals by the health and human services system to
22 both internal and public audiences through various mechanisms,
23 including the Internet.

24 (d) In providing support and oversight for the
25 implementation of policy or organizational changes within the
26 health and human services system under Subsection (b)(2), the
27 office shall:

1 (1) ensure individuals receiving services from or
2 participating in programs administered through the health and human
3 services system do not lose visibility or attention during the
4 implementation of any new policy or organizational change by:

5 (A) establishing timelines and milestones for
6 any transition;

7 (B) supporting staff of the health and human
8 services system in any change between service delivery methods; and

9 (C) providing feedback to executive management
10 on technical assistance and other support needed to achieve a
11 successful transition;

12 (2) address cultural differences among staff of the
13 health and human services system; and

14 (3) track and oversee changes in policy or
15 organization mandated by legislation or administrative rule.

16 (e) In acting as a centralized body of experts under
17 Subsection (b)(3), the office shall:

18 (1) for the health and human services system, provide
19 program evaluation and process improvement guidance both generally
20 and for specific projects identified with executive or stakeholder
21 input or through risk analysis; and

22 (2) identify and monitor cross-functional efforts
23 involving different administrative components within the health
24 and human services system and the establishment of cross-functional
25 teams when necessary to improve the coordination of services
26 provided through the system.

27 (f) The executive commissioner may otherwise develop the

office's structure and duties as the executive commissioner determines appropriate.

(b) As soon as practicable after the effective date of this article but not later than October 1, 2015, the executive commissioner of the Health and Human Services Commission shall establish the office of policy and performance as an executive office within the commission as required under Section 531.0083, Government Code, as added by this article.

(c) The office of policy and performance required under Section 531.0083, Government Code, as added by this article, shall assist the Health and Human Services Transition Legislative Oversight Committee created under Section 531.0203, Government Code, as added by this article, by performing the functions required of the office under Section 531.0083(b)(2), Government Code, as added by this article, with respect to the consolidation mandated by Subchapter A-1, Chapter 531, Government Code, as added by this article.

SECTION 1.11. Section 531.017, Government Code, is amended to read as follows:

Sec. 531.017. PURCHASING UNIT ~~[DIVISION]~~. (a) The commission shall establish a purchasing unit ~~[division]~~ for the management of administrative activities related to the purchasing functions within ~~[of the commission and]~~ the health and human services system ~~[agencies]~~.

(b) The purchasing unit ~~[division]~~ shall:

(1) seek to achieve targeted cost reductions, increase process efficiencies, improve technological support and customer

1 services, and enhance purchasing support within the [~~for each~~]
2 health and human services system [~~agency~~]; and

3 (2) if cost-effective, contract with private entities
4 to perform purchasing functions for the [~~commission and the~~] health
5 and human services system [~~agencies~~].

6 SECTION 1.12. Chapter 265, Family Code, is amended by
7 designating Sections 265.001 through 265.004 as Subchapter A and
8 adding a subchapter heading to read as follows:

9 SUBCHAPTER A. PREVENTION AND EARLY INTERVENTION SERVICES

10 SECTION 1.13. Section 265.002, Family Code, is amended to
11 read as follows:

12 Sec. 265.002. PREVENTION AND EARLY INTERVENTION SERVICES
13 DIVISION. (a) The department shall operate a division to provide
14 services for children in at-risk situations and for the families of
15 those children and to achieve the consolidation of prevention and
16 early intervention services within the jurisdiction of a single
17 agency in order to avoid fragmentation and duplication of services
18 and to increase the accountability for the delivery and
19 administration of these services. The division shall be called the
20 prevention and early intervention services division and shall have
21 the following duties:

22 (1) to plan, develop, and administer a comprehensive
23 and unified delivery system of prevention and early intervention
24 services to children and their families in at-risk situations;

25 (2) to improve the responsiveness of services for
26 at-risk children and their families by facilitating greater
27 coordination and flexibility in the use of funds by state and local

1 service providers;

2 (3) to provide greater accountability for prevention
3 and early intervention services in order to demonstrate the impact
4 or public benefit of a program by adopting outcome measures; and

5 (4) to assist local communities in the coordination
6 and development of prevention and early intervention services in
7 order to maximize federal, state, and local resources.

8 (b) The department's prevention and early intervention
9 services division must be organizationally separate from the
10 department's divisions performing child protective services and
11 adult protective services functions.

12 SECTION 1.14. Subchapter A, Chapter 265, Family Code, as
13 added by this article, is amended by adding Section 265.006 to read
14 as follows:

15 Sec. 265.006. PROHIBITION ON USE OF AGENCY NAME OR LOGO.
16 The department may not allow the use of the department's name or
17 identifying logo or insignia on forms or other materials related to
18 the department's prevention and early intervention services that
19 are:

20 (1) provided by the department's contractors; or
21 (2) distributed by the department's contractors to the
22 department's clients.

23 SECTION 1.15. (a) Subchapter Q, Chapter 531, Government
24 Code, including provisions amended by S.B. No. 219, Acts of the 84th
25 Legislature, Regular Session, 2015, is transferred to Chapter 265,
26 Family Code, redesignated as Subchapter C, Chapter 265, Family
27 Code, and amended to read as follows:

SUBCHAPTER C [~~Q~~]. NURSE-FAMILY PARTNERSHIP COMPETITIVE
GRANT PROGRAM

Sec. 265.101 [~~531.651~~]. DEFINITIONS. In this subchapter:

(1) "Competitive grant program" means the nurse-family partnership competitive grant program established under this subchapter.

(2) "Partnership program" means a nurse-family partnership program.

Sec. 265.102 [~~531.652~~]. OPERATION OF NURSE-FAMILY PARTNERSHIP COMPETITIVE GRANT PROGRAM. (a) The department [~~commission~~] shall operate a nurse-family partnership competitive grant program through which the department [~~commission~~] will award grants for the implementation of nurse-family partnership programs, or the expansion of existing programs, and for the operation of those programs for a period of not less than two years.

(b) The department [~~commission~~] shall award grants under the program to applicants, including applicants operating existing programs, in a manner that ensures that the partnership programs collectively:

(1) operate in multiple communities that are geographically distributed throughout this state; and

(2) provide program services to approximately 2,000 families.

Sec. 265.103 [~~531.653~~]. PARTNERSHIP PROGRAM REQUIREMENTS. A partnership program funded through a grant awarded under this subchapter must:

(1) strictly adhere to the program model developed by

1 the Nurse-Family Partnership National Service Office, including
2 any clinical, programmatic, and data collection requirements of
3 that model;

4 (2) require that registered nurses regularly visit the
5 homes of low-income, first-time mothers participating in the
6 program to provide services designed to:

7 (A) improve pregnancy outcomes;

8 (B) improve child health and development;

9 (C) improve family economic self-sufficiency and
10 stability; and

11 (D) reduce the incidence of child abuse and
12 neglect;

13 (3) require that nurses who provide services through
14 the program:

15 (A) receive training from the office of the
16 attorney general at least once each year on procedures by which a
17 person may voluntarily acknowledge the paternity of a child and on
18 the availability of child support services from the office;

19 (B) provide a mother with information about the
20 rights, responsibilities, and benefits of establishing the
21 paternity of her child, if appropriate;

22 (C) provide assistance to a mother and the
23 alleged father of her child if the mother and alleged father seek to
24 voluntarily acknowledge paternity of the child, if appropriate; and

25 (D) provide information to a mother about the
26 availability of child support services from the office of the
27 attorney general; and

1 (4) require that the regular nurse visits described by
2 Subdivision (2) begin not later than a mother's 28th week of
3 gestation and end when her child reaches two years of age.

4 Sec. 265.104 [~~531.654~~]. APPLICATION. (a) A public or
5 private entity, including a county, municipality, or other
6 political subdivision of this state, may apply for a grant under
7 this subchapter.

8 (b) To apply for a grant, an applicant must submit a written
9 application to the department [~~commission~~] on a form prescribed by
10 the department [~~commission~~] in consultation with the Nurse-Family
11 Partnership National Service Office.

12 (c) The application prescribed by the department
13 [~~commission~~] must:

14 (1) require the applicant to provide data on the
15 number of low-income, first-time mothers residing in the community
16 in which the applicant proposes to operate or expand a partnership
17 program and provide a description of existing services available to
18 those mothers;

19 (2) describe the ongoing monitoring and evaluation
20 process to which a grant recipient is subject under Section 265.109
21 [~~531.659~~], including the recipient's obligation to collect and
22 provide information requested by the department [~~commission~~] under
23 Section 265.109(c) [~~531.659(c)~~]; and

24 (3) require the applicant to provide other relevant
25 information as determined by the department [~~commission~~].

26 Sec. 265.105 [~~531.655~~]. ADDITIONAL CONSIDERATIONS IN
27 AWARDING GRANTS. In addition to the factors described by Sections

1 265.102(b) [~~531.652(b)~~] and 265.103 [~~531.653~~], in determining
2 whether to award a grant to an applicant under this subchapter, the
3 department [~~commission~~] shall consider:

4 (1) the demonstrated need for a partnership program in
5 the community in which the applicant proposes to operate or expand
6 the program, which may be determined by considering:

7 (A) the poverty rate, the crime rate, the number
8 of births to Medicaid recipients, the rate of poor birth outcomes,
9 and the incidence of child abuse and neglect during a prescribed
10 period in the community; and

11 (B) the need to enhance school readiness in the
12 community;

13 (2) the applicant's ability to participate in ongoing
14 monitoring and performance evaluations under Section 265.109
15 [~~531.659~~], including the applicant's ability to collect and provide
16 information requested by the department [~~commission~~] under Section
17 265.109(c) [~~531.659(c)~~];

18 (3) the applicant's ability to adhere to the
19 partnership program standards adopted under Section 265.106
20 [~~531.656~~];

21 (4) the applicant's ability to develop broad-based
22 community support for implementing or expanding a partnership
23 program, as applicable; and

24 (5) the applicant's history of developing and
25 sustaining innovative, high-quality programs that meet the needs of
26 families and communities.

27 Sec. 265.106 [~~531.656~~]. PARTNERSHIP PROGRAM STANDARDS.

1 The executive commissioner, with the assistance of the Nurse-Family
2 Partnership National Service Office, shall adopt standards for the
3 partnership programs funded under this subchapter. The standards
4 must adhere to the Nurse-Family Partnership National Service Office
5 program model standards and guidelines that were developed in
6 multiple, randomized clinical trials and have been tested and
7 replicated in multiple communities.

8 Sec. 265.107 [~~531.657~~]. USE OF AWARDED GRANT FUNDS. The
9 grant funds awarded under this subchapter may be used only to cover
10 costs related to implementing or expanding and operating a
11 partnership program, including costs related to:

- 12 (1) administering the program;
- 13 (2) training and managing registered nurses who
14 participate in the program;
- 15 (3) paying the salaries and expenses of registered
16 nurses who participate in the program;
- 17 (4) paying for facilities and equipment for the
18 program; and
- 19 (5) paying for services provided by the Nurse-Family
20 Partnership National Service Office to ensure a grant recipient
21 adheres to the organization's program model.

22 Sec. 265.108 [~~531.658~~]. STATE NURSE CONSULTANT. Using
23 money appropriated for the competitive grant program, the
24 department [~~commission~~] shall hire or contract with a state nurse
25 consultant to assist grant recipients with implementing or
26 expanding and operating the partnership programs in the applicable
27 communities.

1 Sec. 265.109 [~~531.659~~]. PROGRAM MONITORING AND EVALUATION;
2 ANNUAL COMMITTEE REPORTS. (a) The department [~~commission~~], with
3 the assistance of the Nurse-Family Partnership National Service
4 Office, shall:

5 (1) adopt performance indicators that are designed to
6 measure a grant recipient's performance with respect to the
7 partnership program standards adopted by the executive
8 commissioner under Section 265.106 [~~531.656~~];

9 (2) use the performance indicators to continuously
10 monitor and formally evaluate on an annual basis the performance of
11 each grant recipient; and

12 (3) prepare and submit an annual report, not later
13 than December 1 of each year, to the Senate Health and Human
14 Services Committee, or its successor, and the House Human Services
15 Committee, or its successor, regarding the performance of each
16 grant recipient during the preceding state fiscal year with respect
17 to providing partnership program services.

18 (b) The report required under Subsection (a)(3) must
19 include:

20 (1) the number of low-income, first-time mothers to
21 whom each grant recipient provided partnership program services
22 and, of that number, the number of mothers who established the
23 paternity of an alleged father as a result of services provided
24 under the program;

25 (2) the extent to which each grant recipient made
26 regular visits to mothers during the period described by Section
27 265.103(4) [~~531.653(4)~~]; and

1 (3) the extent to which each grant recipient adhered
2 to the Nurse-Family Partnership National Service Office's program
3 model, including the extent to which registered nurses:

4 (A) conducted home visitations comparable in
5 frequency, duration, and content to those delivered in Nurse-Family
6 Partnership National Service Office clinical trials; and

7 (B) assessed the health and well-being of mothers
8 and children participating in the partnership programs in
9 accordance with indicators of maternal, child, and family health
10 defined by the department [~~commission~~] in consultation with the
11 Nurse-Family Partnership National Service Office.

12 (c) On request, each grant recipient shall timely collect
13 and provide data and any other information required by the
14 department [~~commission~~] to monitor and evaluate the recipient or to
15 prepare the report required by this section.

16 Sec. 265.110 [~~531.660~~]. COMPETITIVE GRANT PROGRAM FUNDING.

17 (a) The department [~~commission~~] shall actively seek and apply for
18 any available federal funds, including federal Medicaid and
19 Temporary Assistance for Needy Families (TANF) funds, to assist in
20 financing the competitive grant program established under this
21 subchapter.

22 (b) The department [~~commission~~] may use appropriated funds
23 from the state government and may accept gifts, donations, and
24 grants of money from the federal government, local governments,
25 private corporations, or other persons to assist in financing the
26 competitive grant program.

27 (b) Notwithstanding the transfer of Subchapter Q, Chapter

531, Government Code, to Chapter 265, Family Code, and redesignation as Subchapter C of that chapter, the Health and Human Services Commission shall continue to administer the Nurse-Family Partnership Competitive Grant Program under that subchapter until the date the program transfers to the Department of Family and Protective Services in accordance with Section 531.0201, Government Code, as added by this article, and the transition plan under Section 531.0204, Government Code, as added by this article.

SECTION 1.16. Effective September 1, 2017, Section 1001.002, Health and Safety Code, is amended to read as follows:

Sec. 1001.002. AGENCY AND AGENCY FUNCTIONS. (a) In this section, "function" includes a power, duty, program, or activity and an administrative support services function associated with the power, duty, program, or activity, unless consolidated under Section 531.02012, Government Code.

(b) The department is an agency of the state.

(c) In accordance with Subchapter A-1, Chapter 531, Government Code, and notwithstanding any other law, the department performs only functions related to public health, including health care data collection and maintenance of the Texas Health Care Information Collection program.

SECTION 1.17. Effective September 1, 2017, Subchapter A, Chapter 1001, Health and Safety Code, is amended by adding Sections 1001.004 and 1001.005 to read as follows:

Sec. 1001.004. REFERENCES IN LAW MEANING DEPARTMENT. In this code or any other law, a reference to the department in relation to a function described by Section 1001.002(c) means the

1 department. A reference in law to the department in relation to any
2 other function has the meaning assigned by Section 531.0011,
3 Government Code.

4 Sec. 1001.005. REFERENCES IN LAW MEANING COMMISSIONER OR
5 DESIGNEE. In this code or in any other law, a reference to the
6 commissioner in relation to a function described by Section
7 1001.002(c) means the commissioner. A reference in law to the
8 commissioner in relation to any other function has the meaning
9 assigned by Section 531.0012, Government Code.

10 SECTION 1.18. Effective September 1, 2017, Section
11 40.002(b), Human Resources Code, as amended by S.B. 219, Acts of the
12 84th Legislature, Regular Session, 2015, is amended to read as
13 follows:

14 (b) Except as provided by Section 40.0025 ~~[Notwithstanding~~
15 ~~any other law]~~, the department shall:

16 (1) provide protective services for children and
17 elderly persons and persons with disabilities, including
18 investigations of alleged abuse, neglect, or exploitation in
19 facilities of the Department of State Health Services and the
20 Department of Aging and Disability Services or the successor agency
21 for either of those agencies;

22 (2) provide family support and family preservation
23 services that respect the fundamental right of parents to control
24 the education and upbringing of their children;

25 (3) license, register, and enforce regulations
26 applicable to child-care facilities, child-care administrators,
27 and child-placing agency administrators; and

1 (4) implement and manage programs intended to provide
2 early intervention or prevent at-risk behaviors that lead to child
3 abuse, delinquency, running away, truancy, and dropping out of
4 school.

5 SECTION 1.19. Effective September 1, 2017, Subchapter A,
6 Chapter 40, Human Resources Code, is amended by adding Sections
7 40.0025, 40.0026, and 40.0027 to read as follows:

8 Sec. 40.0025. AGENCY FUNCTIONS. (a) In this section,
9 "function" includes a power, duty, program, or activity and an
10 administrative support services function associated with the
11 power, duty, program, or activity, unless consolidated under
12 Section 531.02012, Government Code.

13 (b) In accordance with Subchapter A-1, Chapter 531,
14 Government Code, and notwithstanding any other law, the department
15 performs only functions, including the statewide intake of reports
16 and other information, related to the following services:

17 (1) child protective services, including services
18 that are required by federal law to be provided by this state's
19 child welfare agency;

20 (2) adult protective services, other than
21 investigations of the alleged abuse, neglect, or exploitation of an
22 elderly person or person with a disability:

23 (A) in a facility operated, or in a facility or by
24 a person licensed, certified, or registered, by a state agency; or

25 (B) by a provider that has contracted to provide
26 home and community-based services; and

27 (3) prevention and early intervention services

functions, including:

(A) prevention and early intervention services as defined under Section 265.001, Family Code; and

(B) programs that:

(i) provide parent education;

(ii) promote healthier parent-child relationships; or

(iii) prevent family violence.

Sec. 40.0026. REFERENCES IN LAW MEANING DEPARTMENT. In this code or any other law, a reference to the department in relation to a function described by Section 40.0025(b) means the department. A reference in law to the department in relation to any other function has the meaning assigned by Section 531.0011, Government Code.

Sec. 40.0027. REFERENCES IN LAW MEANING COMMISSIONER OR DESIGNEE. In this code or in any other law, a reference to the commissioner in relation to a function described by Section 40.0025(b) means the commissioner. A reference in law to the commissioner in relation to any other function has the meaning assigned by Section 531.0012, Government Code.

SECTION 1.20. Sections 40.0515(d) and (e), Human Resources Code, are amended to read as follows:

(d) A performance review conducted under Subsection (b)(3) is considered a performance evaluation for purposes of Section 40.032(c) of this code or Section 531.009(c), Government Code, as applicable. The department shall ensure that disciplinary or other corrective action is taken against a supervisor or other managerial

1 employee who is required to conduct a performance evaluation for
2 adult protective services personnel under Section 40.032(c) of this
3 code or Section 531.009(c), Government Code, as applicable, or a
4 performance review under Subsection (b)(3) and who fails to
5 complete that evaluation or review in a timely manner.

6 (e) The annual performance evaluation required under
7 Section 40.032(c) of this code or Section 531.009(c), Government
8 Code, as applicable, of the performance of a supervisor in the adult
9 protective services division must:

10 (1) be performed by an appropriate program
11 administrator; and

12 (2) include:

13 (A) an evaluation of the supervisor with respect
14 to the job performance standards applicable to the supervisor's
15 assigned duties; and

16 (B) an evaluation of the supervisor with respect
17 to the compliance of employees supervised by the supervisor with
18 the job performance standards applicable to those employees'
19 assigned duties.

20 SECTION 1.21. (a) The heading to Subchapter C, Chapter
21 112, Human Resources Code, is amended to read as follows:

22 SUBCHAPTER C. [~~OFFICE FOR THE~~] PREVENTION OF DEVELOPMENTAL
23 DISABILITIES

24 (b) Section 112.042, Human Resources Code, is amended by
25 amending Subdivision (1) and adding Subdivisions (1-a) and (1-b) to
26 read as follows:

27 (1) "Commission" means the Health and Human Services

1 Commission.

2 (1-a) "Developmental disability" means a severe,
3 chronic disability that:

4 (A) is attributable to a mental or physical
5 impairment or to a combination of a mental and physical impairment;

6 (B) is manifested before a person reaches the age
7 of 22;

8 (C) is likely to continue indefinitely;

9 (D) results in substantial functional
10 limitations in three or more major life activities, including:

11 (i) self-care;

12 (ii) receptive and expressive language;

13 (iii) learning;

14 (iv) mobility;

15 (v) self-direction;

16 (vi) capacity for independent living; and

17 (vii) economic sufficiency; and

18 (E) reflects the person's needs for a combination
19 and sequence of special interdisciplinary or generic care,
20 treatment, or other lifelong or extended services that are
21 individually planned and coordinated.

22 (1-b) "Executive commissioner" means the executive
23 commissioner of the Health and Human Services Commission.

24 (c) Subchapter C, Chapter 112, Human Resources Code, is
25 amended by adding Sections 112.0421 and 112.0431 to read as
26 follows:

27 Sec. 112.0421. APPLICABILITY AND EXPIRATION OF CERTAIN

PROVISIONS. (a) Sections [112.041\(a\)](#), [112.043](#), [112.045](#), [112.0451](#), [112.0452](#), [112.0453](#), [112.0454](#), [112.046](#), [112.047](#), [112.0471](#), and [112.0472](#) apply only until the date the executive commissioner begins to administer this subchapter and the commission assumes the duties and functions of the Office for the Prevention of Developmental Disabilities in accordance with Section 112.0431.

(b) On the date the provisions listed in Subsection (a) cease to apply, the executive committee under Section [112.045](#) and the board of advisors under Section [112.046](#) are abolished.

(c) This section and Sections [112.041\(a\)](#), [112.043](#), [112.045](#), [112.0451](#), [112.0452](#), [112.0453](#), [112.0454](#), [112.046](#), [112.047](#), [112.0471](#), and [112.0472](#) expire on the last day of the period prescribed by Section 531.02001(1), Government Code.

Sec. 112.0431. ADMINISTRATION OF SUBCHAPTER; CERTAIN REFERENCES. (a) Notwithstanding any other provision in this subchapter, the executive commissioner shall administer this subchapter beginning on the date specified in the transition plan under Section 531.0204, Government Code, and the commission shall perform the duties and functions of the Office for the Prevention of Developmental Disabilities in the organizational form the executive commissioner determines appropriate.

(b) Following the assumption of the administration of this subchapter by the executive commissioner and the duties and functions by the commission in accordance with Subsection (a):

(1) a reference in this subchapter to the office, the Office for the Prevention of Developmental Disabilities, or the executive committee of that office means the commission, the

division or other organizational unit within the commission designated by the executive commissioner, or the executive commissioner, as appropriate; and

(2) a reference in any other law to the Office for the Prevention of Developmental Disabilities has the meaning assigned by Subdivision (1).

(d) Section 112.044, Human Resources Code, is amended to read as follows:

Sec. 112.044. DUTIES. The office shall:

(1) educate the public and attempt to promote sound public policy regarding the prevention of developmental disabilities;

(2) identify, collect, and disseminate information and data concerning the causes, frequency of occurrence, and preventability of developmental disabilities;

(3) work with appropriate divisions within the commission, state agencies, and other entities to develop a coordinated long-range plan to effectively monitor and reduce the incidence or severity of developmental disabilities;

(4) promote and facilitate the identification, development, coordination, and delivery of needed prevention services;

(5) solicit, receive, and spend grants and donations from public, private, state, and federal sources;

(6) identify and encourage establishment of needed reporting systems to track the causes and frequencies of occurrence of developmental disabilities;

(7) develop, operate, and monitor programs created under Section 112.048 addressing ~~[task forces to address]~~ the prevention of specific targeted developmental disabilities;

(8) monitor and assess the effectiveness of divisions within the commission and of state agencies in preventing ~~[to prevent]~~ developmental disabilities;

(9) recommend the role each division within the commission and each state agency should have with regard to prevention of developmental disabilities;

(10) facilitate coordination of state agency prevention services and activities within the commission and among appropriate state agencies; and

(11) encourage cooperative, comprehensive, and complementary planning among public, private, and volunteer individuals and organizations engaged in prevention activities, providing prevention services, or conducting related research.

(e) Sections 112.048 and 112.049, Human Resources Code, are amended to read as follows:

Sec. 112.048. PREVENTION PROGRAMS FOR TARGETED DEVELOPMENTAL DISABILITIES ~~[TASK FORCES]~~. (a) The executive committee shall establish guidelines for:

- (1) selecting targeted disabilities;
- (2) assessing prevention services needs; and
- (3) reviewing ~~[task force]~~ plans, budgets, and operations for programs under this section.

(b) The executive committee shall ~~[create task forces made up of members of the board of advisors to]~~ plan and implement

1 prevention programs for specifically targeted developmental
2 disabilities. ~~[A task force operates as an administrative division~~
3 ~~of the office and can be abolished when it is ineffective or is no~~
4 ~~longer needed.]~~

5 (c) A program under this section ~~[task force shall]~~:

6 (1) must include ~~[develop]~~ a plan designed to reduce
7 the incidence of a specifically targeted disability;

8 (2) must include ~~[prepare]~~ a budget for implementing a
9 plan;

10 (3) must be funded ~~[arrange for funds]~~ through:

11 (A) contracts for services from participating
12 agencies;

13 (B) grants and gifts from private persons and
14 consumer and advocacy organizations; and

15 (C) foundation support; and

16 (4) must be approved by ~~[submit the plan, budget, and~~
17 ~~evidence of funding commitments to]~~ the executive committee ~~[for~~
18 ~~approval]~~.

19 ~~[(d) A task force shall regularly report to the executive~~
20 ~~committee, as required by the committee, the operation, progress,~~
21 ~~and results of the task force's prevention plan.]~~

22 Sec. 112.049. EVALUATION. (a) The office shall identify
23 or encourage the establishment of needed statistical bases for each
24 targeted group against which the office can measure how effectively
25 a ~~[task force]~~ program under Section 112.048 is reducing the
26 frequency or severity of a targeted developmental disability.

27 (b) The executive committee shall regularly monitor and

1 evaluate the results of [~~task force prevention~~] programs under
2 Section 112.048.

3 (f) The heading to Section 112.050, Human Resources Code, is
4 amended to read as follows:

5 Sec. 112.050. GRANTS AND OTHER FUNDING.

6 (g) Section 112.050, Human Resources Code, is amended by
7 amending Subsection (c) and adding Subsection (d) to read as
8 follows:

9 (c) The executive committee may not submit a legislative
10 appropriation request for general revenue funds for purposes of
11 this subchapter.

12 (d) In addition to funding under Subsection (a), the office
13 may accept and solicit gifts, donations, and grants of money from
14 public and private sources, including the federal government, local
15 governments, and private entities, to assist in financing the
16 duties and functions of the office. The commission shall support
17 office fund-raising efforts authorized by this subsection. Funds
18 raised under this subsection may only be spent in furtherance of a
19 duty or function of the office or in accordance with rules
20 applicable to the office.

21 (h) Section 112.051, Human Resources Code, is amended to
22 read as follows:

23 Sec. 112.051. REPORTS TO LEGISLATURE. The office shall
24 submit by February 1 of each odd-numbered year biennial reports to
25 the legislature detailing findings of the office and the results of
26 [~~task force prevention~~] programs under Section 112.048 and
27 recommending improvements in the delivery of developmental

1 disability prevention services.

2 (i) Notwithstanding the changes in law made by this section,
3 the Office for the Prevention of Developmental Disabilities and any
4 administrative entity of the Office for the Prevention of
5 Developmental Disabilities shall continue to operate under the law
6 as it existed before the effective date of this article, and that
7 law is continued in effect for that purpose, until the executive
8 commissioner of the Health and Human Services Commission begins
9 administering Subchapter C, Chapter 112, Human Resources Code, as
10 amended by this article, and the commission begins performing the
11 duties and functions of the Office for the Prevention of
12 Developmental Disabilities as required by Section 112.0431, Human
13 Resources Code, as added by this article, on September 1, 2017.

14 (j) The executive commissioner of the Health and Human
15 Services Commission shall begin administering Subchapter C,
16 Chapter 112, Human Resources Code, as amended by this article, and
17 the commission shall begin performing the duties and functions of
18 the Office for the Prevention of Developmental Disabilities as
19 required by Section 112.0431, Human Resources Code, as added by
20 this article, on September 1, 2017.

21 SECTION 1.22. (a) The heading to Chapter 114, Human
22 Resources Code, is amended to read as follows:

23 CHAPTER 114. [~~TEXAS COUNCIL ON~~] AUTISM AND PERVASIVE DEVELOPMENTAL
24 DISORDERS

25 (b) Section 114.002, Human Resources Code, is amended by
26 adding Subdivisions (1-a) and (3) to read as follows:

27 (1-a) "Commission" means the Health and Human Services

1 Commission.

2 (3) "Executive commissioner" means the executive
3 commissioner of the Health and Human Services Commission.

4 (c) Chapter 114, Human Resources Code, is amended by adding
5 Sections 114.0021 and 114.0031 to read as follows:

6 Sec. 114.0021. APPLICABILITY AND EXPIRATION OF CERTAIN
7 PROVISIONS. (a) Sections 114.001, 114.003, 114.004, 114.005,
8 114.007(a), and 114.010(d) apply only until the date the executive
9 commissioner begins to administer this chapter and the commission
10 assumes the duties and functions of the Texas Council on Autism and
11 Pervasive Developmental Disorders in accordance with Section
12 114.0031.

13 (b) On the date the provisions listed in Subsection (a)
14 cease to apply, the Texas Council on Autism and Pervasive
15 Developmental Disorders is abolished.

16 (c) This section and Sections 114.001, 114.003, 114.004,
17 114.005, 114.007(a), and 114.010(d) expire on the last day of the
18 period prescribed by Section 531.02001(1), Government Code.

19 Sec. 114.0031. ADMINISTRATION OF CHAPTER; CERTAIN
20 REFERENCES. (a) Notwithstanding any other provision in this
21 chapter, the executive commissioner shall administer this chapter
22 beginning on the date specified in the transition plan under
23 Section 531.0204, Government Code, and the commission shall perform
24 the duties and functions of the Texas Council on Autism and
25 Pervasive Developmental Disorders in the organizational form the
26 executive commissioner determines appropriate.

27 (b) Following the assumption of the administration of this

chapter by the executive commissioner and the duties and functions by the commission in accordance with Subsection (a):

(1) a reference in this chapter to the council, the Texas Council on Autism and Pervasive Developmental Disorders, or an agency represented on the council means the commission, the division or other organizational unit within the commission designated by the executive commissioner, or the executive commissioner, as appropriate; and

(2) a reference in any other law to the Texas Council on Autism and Pervasive Developmental Disorders has the meaning assigned by Subdivision (1).

(d) Section 114.006(b), Human Resources Code, is amended to read as follows:

(b) The council shall make written recommendations on the implementation of this chapter. If the council considers a recommendation that will affect another state ~~[an]~~ agency ~~[not represented on the council]~~, the council shall seek the advice and assistance of the agency before taking action on the recommendation. On approval of the governing body of the agency, each agency affected by a council recommendation shall implement the recommendation. If an agency does not have sufficient funds to implement a recommendation, the agency shall request funds for that purpose in its next budget proposal.

(e) Sections 114.007(b) and (c), Human Resources Code, are amended to read as follows:

(b) The council with ~~[the advice of the advisory task force and]~~ input from people with autism and other pervasive

developmental disorders, their families, and related advocacy organizations shall address contemporary issues affecting services available to persons with autism or other pervasive developmental disorders in this state, including:

(1) successful intervention and treatment strategies, including transitioning;

(2) personnel preparation and continuing education;

(3) referral, screening, and evaluation services;

(4) day care, respite care, or residential care services;

(5) vocational and adult training programs;

(6) public awareness strategies;

(7) contemporary research;

(8) early identification strategies;

(9) family counseling and case management; and

(10) recommendations for monitoring autism service programs.

(c) The council with ~~[the advice of the advisory task force and]~~ input from people with autism and other pervasive developmental disorders, their families, and related advocacy organizations shall advise the legislature on legislation that is needed to develop further and to maintain a statewide system of quality intervention and treatment services for all persons with autism or other pervasive developmental disorders. The council may develop and recommend legislation to the legislature or comment on pending legislation that affects those persons.

(f) Section [114.008](#), Human Resources Code, is amended to

1 read as follows:

2 Sec. 114.008. REPORT. (a) ~~[The agencies represented on~~
3 ~~the council and the public members shall report to the council any~~
4 ~~requirements identified by the agency or person to provide~~
5 ~~additional or improved services to persons with autism or other~~
6 ~~pervasive developmental disorders.]~~ Not later than November 1 of
7 each even-numbered year, the council shall:

8 (1) prepare a report summarizing requirements the
9 council identifies and recommendations for providing additional or
10 improved services to persons with autism or other pervasive
11 developmental disorders; and

12 (2) deliver the report to the executive commissioner
13 ~~[of the Health and Human Services Commission]~~, the governor, the
14 lieutenant governor, and the speaker of the house of
15 representatives ~~[a report summarizing the recommendations]~~.

16 (b) The council shall develop a strategy for establishing
17 new programs to meet the requirements identified through the
18 council's review and assessment and from input from ~~[the task~~
19 ~~force]~~ people with autism and related pervasive developmental
20 disorders, their families, and related advocacy organizations.

21 (g) Section 114.013, Human Resources Code, is amended to
22 read as follows:

23 Sec. 114.013. COORDINATION OF RESOURCES FOR INDIVIDUALS
24 WITH AUTISM SPECTRUM DISORDERS ~~[RESOURCE CENTER]~~. (a) The
25 commission ~~[Health and Human Services Commission]~~ shall ~~[establish~~
26 ~~and administer an autism spectrum disorders resource center to]~~
27 coordinate resources for individuals with autism and other

pervasive developmental disorders and their families. In
coordinating those resources ~~[establishing and administering the
center]~~, the commission ~~[Health and Human Services Commission]~~
shall consult with ~~[the council and coordinate with]~~ appropriate
state agencies~~[, including each agency represented on the council]~~.

(b) As part of coordinating resources under Subsection (a),
the commission ~~[The Health and Human Services Commission]~~ shall
~~[design the center to]~~:

(1) collect and distribute information and research
regarding autism and other pervasive developmental disorders;

(2) conduct training and development activities for
persons who may interact with an individual with autism or another
pervasive developmental disorder in the course of their employment,
including school, medical, or law enforcement personnel;

(3) coordinate with local entities that provide
services to an individual with autism or another pervasive
developmental disorder; and

(4) provide support for families affected by autism
and other pervasive developmental disorders.

(h) Notwithstanding the changes in law made by this section,
the Texas Council on Autism and Pervasive Developmental Disorders
and any administrative entity of the Texas Council on Autism and
Pervasive Developmental Disorders shall continue to operate under
the law as it existed before the effective date of this article, and
that law is continued in effect for that purpose, until the
executive commissioner of the Health and Human Services Commission
begins administering Chapter 114, Human Resources Code, as amended

1 by this article, and the commission begins performing the duties
2 and functions of the Texas Council on Autism and Pervasive
3 Developmental Disorders as required by Section 114.0031, Human
4 Resources Code, as added by this article, on the date specified in
5 the transition plan required under Section 531.0204, Government
6 Code, as added by this article.

7 (i) The executive commissioner of the Health and Human
8 Services Commission shall begin administering Chapter 114, Human
9 Resources Code, as amended by this article, and the commission
10 shall begin performing the duties and functions of the Texas
11 Council on Autism and Pervasive Developmental Disorders as required
12 by Section 114.0031, Human Resources Code, as added by this
13 article, on the date specified in the transition plan required
14 under Section 531.0204, Government Code, as added by this article.

15 SECTION 1.23. (a) Effective September 1, 2016, the
16 following provisions of the Government Code, including provisions
17 amended by S.B. No. 219, Acts of the 84th Legislature, Regular
18 Session, 2015, are repealed:

- 19 (1) Section [531.0235](#); and
20 (2) Subchapter K, Chapter 531.

21 (b) Effective September 1, 2016, the following provisions
22 of the Health and Safety Code are repealed:

- 23 (1) Section 1001.021;
24 (2) Section 1001.022;
25 (3) Section 1001.023;
26 (4) Section 1001.024;
27 (5) Section 1001.025;

(6) Section 1001.026; and

(7) Section 1001.027.

(c) Effective September 1, 2016, the following provisions of the Human Resources Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

- (1) Section 40.021;
- (2) Section 40.022;
- (3) Section 40.0226;
- (4) Section 40.024;
- (5) Section 40.025;
- (6) Section 40.026;
- (7) Section 117.002;
- (8) Section 117.021;
- (9) Section 117.022;
- (10) Section 117.023;
- (11) Section 117.024;
- (12) Section 117.025;
- (13) Section 117.026;
- (14) Section 117.027;
- (15) Section 117.028;
- (16) Section 117.029;
- (17) Section 117.030;
- (18) Section 117.032;
- (19) Section 117.051;
- (20) Section 117.052;
- (21) Section 117.053;

- (22) Section 117.054;
- (23) Section 117.055;
- (24) Section 117.056;
- (25) Section 117.072; and
- (26) Subchapter B, Chapter 161.

(d) Effective September 1, 2017, Section 531.0055(i), Government Code, is repealed.

(e) Effective September 1, 2017, the following provisions of the Human Resources Code, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

- (1) Section 161.002;
- (2) Section 161.051;
- (3) Section 161.052;
- (4) Section 161.053;
- (5) Section 161.054;
- (6) Section 161.055;
- (7) Section 161.056; and
- (8) Section 161.072.

(f) Notwithstanding Subsections (a), (b), (c), (d), and (e) of this section, the implementation of a provision repealed by one of those subsections ceases on the date the responsible state agency or entity listed in Section 531.0202, Government Code, as added by this article, is abolished as provided by Subchapter A-1, Chapter 531, Government Code, as added by this article.

ARTICLE 2. HEALTH AND HUMAN SERVICES SYSTEM OPERATIONS

SECTION 2.01. Section 531.001, Government Code, is amended

by adding Subdivision (3-a) to read as follows:

(3-a) "Health and human services system" means the system for providing or otherwise administering health and human services in this state by the commission, including through an office or division of the commission or through another entity under the administrative and operational control of the executive commissioner.

SECTION 2.02. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.00552 to read as follows:

Sec. 531.00552. CONSOLIDATED INTERNAL AUDIT PROGRAM.

(a) Notwithstanding Section 2102.005, the commission shall operate the internal audit program required under Chapter 2102 for the commission and each health and human services agency as a consolidated internal audit program.

(b) For purposes of this section, a reference in Chapter 2102 to the administrator of a state agency with respect to a health and human services agency means the executive commissioner.

SECTION 2.03. Section 531.006, Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

Sec. 531.006. ELIGIBILITY FOR APPOINTMENT AS EXECUTIVE COMMISSIONER; EMPLOYEE RESTRICTIONS. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(a-1) A person may not be appointed ~~[is not eligible for appointment]~~ as executive commissioner, may not serve on the commission's executive council, and may not be a commission employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of health and human services; or

(2) the person's spouse is an ~~[employee,~~ officer, manager, or paid consultant of a Texas trade association in the ~~[a]~~ field of health and human services ~~[under the commission's jurisdiction]~~.

(b) A person may not be appointed as executive commissioner or act as general counsel of the commission if the person ~~[who]~~ is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation ~~[in or]~~ on behalf of a profession related to the operation of the commission ~~[a field under the commission's jurisdiction may not serve as executive commissioner]~~.

(c) A person may not be appointed ~~[is not eligible for appointment]~~ as executive commissioner if the person has a financial interest in a corporation, organization, or association under contract with:

(1) the commission or a health and human services agency ~~[Department of State Health Services, if the contract~~

~~involves mental health services];~~

~~(2) [the Department of Aging and Disability Services, if the contract involves intellectual and developmental disability services,~~

~~(3)] a local mental health or intellectual and developmental disability authority; or~~

(3) [(4)] a community center.

SECTION 2.04. Section 531.0161, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The commission shall:

(1) coordinate the implementation of the policy developed under Subsection (a);

(2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

SECTION 2.05. (a) Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0164 to read as follows:

Sec. 531.0164. HEALTH AND HUMAN SERVICES SYSTEM INTERNET WEBSITE COORDINATION. The commission shall establish a process to ensure Internet websites across the health and human services system are developed and maintained according to standard criteria for uniformity, efficiency, and technical capabilities. Under the process, the commission shall:

(1) develop and maintain an inventory of all health and human services system Internet websites;

1 (2) on an ongoing basis, evaluate the inventory
2 maintained under Subdivision (1) to:

3 (A) determine whether any of the Internet
4 websites should be consolidated to improve public access to those
5 websites' content; and

6 (B) ensure the Internet websites comply with the
7 standard criteria; and

8 (3) if appropriate, consolidate the websites
9 identified under Subdivision (2)(A).

10 (b) As soon as possible after the effective date of this
11 article, the Health and Human Services Commission shall implement
12 Section 531.0164, Government Code, as added by this article.

13 (c) As soon as possible after a function is transferred in
14 accordance with Section 531.0201, 531.02011, or 531.02012,
15 Government Code, as added by this Act, the Health and Human Services
16 Commission shall, in accordance with Section 531.0164, Government
17 Code, as added by this article, ensure that an Internet website
18 related to the transferred function is updated, transferred, or
19 consolidated to reflect the consolidation mandated by Subchapter
20 A-1, Chapter 531, Government Code, as added by this Act.

21 SECTION 2.06. (a) Subchapter A, Chapter 531, Government
22 Code, is amended by adding Section 531.0171 to read as follows:

23 Sec. 531.0171. OFFICE OF OMBUDSMAN. (a) The executive
24 commissioner shall establish the commission's office of the
25 ombudsman with authority and responsibility over the health and
26 human services system in performing the following functions:

27 (1) providing dispute resolution services for the

1 health and human services system;

2 (2) performing consumer protection and advocacy
3 functions related to health and human services, including assisting
4 a consumer or other interested person with:

5 (A) raising a matter within the health and human
6 services system that the person feels is being ignored; and

7 (B) obtaining information regarding a filed
8 complaint; and

9 (3) collecting inquiry and complaint data related to
10 the health and human services system.

11 (b) The office of the ombudsman does not have the authority
12 to provide a separate process for resolving complaints or appeals.

13 (c) The executive commissioner shall develop a standard
14 process for tracking and reporting received inquiries and
15 complaints within the health and human services system. The
16 process must provide for the centralized tracking of inquiries and
17 complaints submitted to field, regional, or other local health and
18 human services system offices.

19 (d) Using the process developed under Subsection (c), the
20 office of the ombudsman shall collect inquiry and complaint data
21 from all offices, agencies, divisions, and other entities within
22 the health and human services system. To assist with the collection
23 of data under this subsection, the office may access any system or
24 process for recording inquiries and complaints used or maintained
25 within the health and human services system.

26 (b) As soon as possible after the effective date of this
27 article, the executive commissioner of the Health and Human

1 Services Commission shall implement Section 531.0171, Government
2 Code, as added by this article.

3 (c) Notwithstanding any other provision of state law but
4 except as provided by Subsection (d) of this section:

5 (1) each office of an ombudsman established before the
6 effective date of this section that performs ombudsman duties for a
7 state agency or entity subject to abolition under Section 531.0202,
8 Government Code, as added by this Act, is abolished on the date the
9 state agency or entity for which the office performs ombudsman
10 duties is abolished in accordance with the transition plan under
11 Section 531.0204, Government Code, as added by this Act; and

12 (2) each office of an ombudsman established before the
13 effective date of this section that performs ombudsman duties for
14 the Department of Family and Protective Services or the Department
15 of State Health Services is abolished on the date specified in the
16 transition plan under Section 531.0204, Government Code, as added
17 by this Act.

18 (d) The following offices of an ombudsman are not abolished
19 under Subsection (c) of this section and continue in existence:

20 (1) the office of independent ombudsman for state
21 supported living centers established under Subchapter C, Chapter
22 555, Health and Safety Code;

23 (2) the office of the state long-term care ombudsman;
24 and

25 (3) any other ombudsman office serving all or part of
26 the health and human services system that is required by federal
27 law.

1 (e) The executive commissioner of the Health and Human
2 Services Commission shall certify which offices of ombudsman are
3 abolished, and which are exempt from abolition, under Subsection
4 (d) of this section and shall publish that certification in the
5 Texas Register not later than September 1, 2016.

6 SECTION 2.07. (a) Subchapter A, Chapter 531, Government
7 Code, is amended by adding Section 531.0192 to read as follows:

8 Sec. 531.0192. HEALTH AND HUMAN SERVICES SYSTEM HOTLINE AND
9 CALL CENTER COORDINATION. (a) The commission shall establish a
10 process to ensure all health and human services system hotlines and
11 call centers are necessary and appropriate. Under the process, the
12 commission shall:

13 (1) develop criteria for use in assessing whether a
14 hotline or call center serves an ongoing purpose;

15 (2) develop and maintain an inventory of all system
16 hotlines and call centers;

17 (3) use the inventory and assessment criteria
18 developed under this subsection to periodically consolidate
19 hotlines and call centers along appropriate functional lines;

20 (4) develop an approval process designed to ensure
21 that a newly established hotline or call center, including the
22 telephone system and contract terms for the hotline or call center,
23 meets policies and standards established by the commission; and

24 (5) develop policies and standards for hotlines and
25 call centers that include both quality and quantity performance
26 measures and benchmarks and may include:

27 (A) client satisfaction with call resolution;

1 (B) accuracy of information provided;

2 (C) the percentage of received calls that are
3 answered;

4 (D) the amount of time a caller spends on hold;
5 and

6 (E) call abandonment rates.

7 (a-1) In developing policies and standards under Subsection
8 (a)(5), the commission may allow varied performance measures and
9 benchmarks for a hotline or call center based on factors affecting
10 the capacity of the hotline or call center, including factors such
11 as staffing levels and funding.

12 (b) In consolidating hotlines and call centers under
13 Subsection (a)(3), the commission shall seek to maximize the use
14 and effectiveness of the commission's 2-1-1 telephone number.

15 (b) As soon as possible after the effective date of this
16 article, the Health and Human Services Commission shall implement
17 Section 531.0192, Government Code, as added by this article.

18 (c) Not later than March 1, 2016, the Health and Human
19 Services Commission shall complete an initial assessment and
20 consolidation of hotlines and call centers, as required by Section
21 531.0192, Government Code, as added by this article.

22 (d) As soon as possible after a function is transferred in
23 accordance with Section 531.0201 or 531.02011, Government Code, as
24 added by this Act, the Health and Human Services Commission shall,
25 in accordance with Section 531.0192, Government Code, as added by
26 this article, ensure a hotline or call center related to the
27 transferred function is transferred or consolidated to reflect the

consolidation mandated by Subchapter A-1, Chapter 531, Government Code, as added by this Act.

SECTION 2.08. (a) Section 531.02111(b), Government Code, as amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, is amended to read as follows:

(b) The report must include:

(1) for each state agency described by Subsection (a):

(A) a description of each of the components of Medicaid operated by the agency; and

(B) an accounting of all funds related to Medicaid received and disbursed by the agency during the period covered by the report, including:

(i) the amount of any federal Medicaid funds allocated to the agency for the support of each of the Medicaid components operated by the agency;

(ii) the amount of any funds appropriated by the legislature to the agency for each of those components; and

(iii) the amount of Medicaid payments and related expenditures made by or in connection with each of those components; and

(2) for each Medicaid component identified in the report:

(A) the amount and source of funds or other revenue received by or made available to the agency for the component; ~~and~~

(B) the amount spent on each type of service or benefit provided by or under the component;

1 (C) the amount spent on component operations,
2 including eligibility determination, claims processing, and case
3 management; and

4 (D) the amount spent on any other administrative
5 costs [~~information required by Section 531.02112(b)~~].

6 (b) The following provisions, including provisions amended
7 by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015,
8 are repealed:

9 (1) Section 531.02112, Government Code;

10 (2) Sections 531.03131(f) and (g), Government Code;

11 (3) Section 2155.144(o), Government Code; and

12 (4) Section 22.0251(b), Human Resources Code.

13 SECTION 2.09. (a) Subchapter B, Chapter 531, Government
14 Code, is amended by adding Section 531.02118 to read as follows:

15 Sec. 531.02118. STREAMLINING MEDICAID PROVIDER ENROLLMENT
16 AND CREDENTIALING PROCESSES. (a) The commission shall streamline
17 provider enrollment and credentialing processes under Medicaid.

18 (b) In streamlining the Medicaid provider enrollment
19 process, the commission shall establish a centralized Internet
20 portal through which providers may enroll in Medicaid. The
21 commission may use the Internet portal created under this
22 subsection to create a single, consolidated Medicaid provider
23 enrollment and credentialing process.

24 (c) In streamlining the Medicaid provider credentialing
25 process under this section, the commission may designate a
26 centralized credentialing entity and may:

27 (1) share information in the database established

1 under Subchapter C, Chapter 32, Human Resources Code, with the
2 centralized credentialing entity; and

3 (2) require all managed care organizations
4 contracting with the commission to provide health care services to
5 Medicaid recipients under a managed care plan issued by the
6 organization to use the centralized credentialing entity as a hub
7 for the collection and sharing of information.

8 (d) If cost-effective, the commission may contract with a
9 third party to develop the single, consolidated Medicaid provider
10 enrollment and credentialing process authorized under Subsection
11 (b).

12 (b) The Health and Human Services Commission shall
13 streamline provider enrollment and credentialing processes as
14 required under Section 531.02118, Government Code, as added by this
15 article, not later than September 1, 2016.

16 SECTION 2.10. (a) Section 531.02141, Government Code, is
17 amended by adding Subsections (c), (d), and (e) to read as follows:

18 (c) The commission shall regularly evaluate data submitted
19 by managed care organizations that contract with the commission
20 under Chapter 533 to determine whether:

21 (1) the data continues to serve a useful purpose; and
22 (2) additional data is needed to oversee contracts or
23 evaluate the effectiveness of Medicaid.

24 (d) The commission shall collect Medicaid managed care data
25 that effectively captures the quality of services received by
26 Medicaid recipients.

27 (e) The commission shall develop a dashboard for agency

leadership that is designed to assist leadership with overseeing Medicaid and comparing the performance of managed care organizations participating in Medicaid. The dashboard must identify a concise number of important Medicaid indicators, including key data, performance measures, trends, and problems.

(b) Not later than March 1, 2016, the Health and Human Services Commission shall develop the dashboard required by Section [531.02141](#)(e), Government Code, as added by this article.

SECTION 2.11. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02731 to read as follows:

Sec. 531.02731. REPORT OF INFORMATION RESOURCES MANAGER TO COMMISSION. Notwithstanding Section [2054.075](#)(b), the information resources manager of a health and human services agency shall report directly to the executive commissioner or a deputy executive commissioner designated by the executive commissioner.

SECTION 2.12. Section [531.102](#), Government Code, is amended by adding Subsections (p) and (q) to read as follows:

(p) In accordance with Section [533.015](#)(b), the office shall consult with the executive commissioner regarding the adoption of rules defining the office's role in and jurisdiction over, and the frequency of, audits of managed care organizations participating in Medicaid that are conducted by the office and the commission.

(q) The office shall coordinate all audit and oversight activities, including the development of audit plans, risk assessments, and findings, with the commission to minimize the duplication of activities. In coordinating activities under this subsection, the office shall:

1 (1) on an annual basis, seek input from the commission
2 and consider previous audits and onsite visits made by the
3 commission for purposes of determining whether to audit a managed
4 care organization participating in Medicaid; and

5 (2) request the results of any informal audit or
6 onsite visit performed by the commission that could inform the
7 office's risk assessment when determining whether to conduct, or
8 the scope of, an audit of a managed care organization participating
9 in Medicaid.

10 SECTION 2.13. (a) Section 531.1031(a), Government Code,
11 as amended by S.B. 219, Acts of the 84th Legislature, Regular
12 Session, 2015, is amended to read as follows:

13 (a) In this section and Sections 531.1032, 531.1033, and
14 531.1034:

15 (1) "Health care professional" means a person issued a
16 license[~~, registration, or certification~~] to engage in a health
17 care profession.

18 (1-a) "License" means a license, certificate,
19 registration, permit, or other authorization that:

20 (A) is issued by a licensing authority; and

21 (B) must be obtained before a person may practice
22 or engage in a particular business, occupation, or profession.

23 (1-b) "Licensing authority" means a department,
24 commission, board, office, or other agency of the state that issues
25 a license.

26 (1-c) "Office" means the commission's office of
27 inspector general unless a different meaning is plainly required by

1 the context in which the term appears.

2 (2) "Participating agency" means:

3 (A) the Medicaid fraud enforcement divisions of
4 the office of the attorney general;

5 (B) each licensing authority [~~board or agency~~]
6 with authority to issue a license to [~~, register, regulate, or~~
7 ~~certify~~] a health care professional or managed care organization
8 that may participate in Medicaid; and

9 (C) the [~~commission's~~] office [~~of inspector~~
10 ~~general~~].

11 (3) "Provider" has the meaning assigned by Section
12 531.1011(10)(A).

13 (b) Subchapter C, Chapter 531, Government Code, is amended
14 by adding Sections 531.1032, 531.1033, and 531.1034 to read as
15 follows:

16 Sec. 531.1032. OFFICE OF INSPECTOR GENERAL: CRIMINAL
17 HISTORY RECORD INFORMATION CHECK. (a) The office and each
18 licensing authority that requires the submission of fingerprints
19 for the purpose of conducting a criminal history record information
20 check of a health care professional shall enter into a memorandum of
21 understanding to ensure that only persons who are licensed and in
22 good standing as health care professionals participate as providers
23 in Medicaid. The memorandum under this section may be combined with
24 a memorandum authorized under Section 531.1031(c-1) and must
25 include a process by which:

26 (1) the office may confirm with a licensing authority
27 that a health care professional is licensed and in good standing for

1 purposes of determining eligibility to participate in Medicaid; and

2 (2) the licensing authority immediately notifies the
3 office if:

4 (A) a provider's license has been revoked or
5 suspended; or

6 (B) the licensing authority has taken
7 disciplinary action against a provider.

8 (b) The office may not, for purposes of determining a health
9 care professional's eligibility to participate in Medicaid as a
10 provider, conduct a criminal history record information check of a
11 health care professional who the office has confirmed under
12 Subsection (a) is licensed and in good standing. This subsection
13 does not prohibit the office from performing a criminal history
14 record information check of a provider that is required or
15 appropriate for other reasons, including for conducting an
16 investigation of fraud, waste, or abuse.

17 (c) For purposes of determining eligibility to participate
18 in Medicaid and subject to Subsection (d), the office, after
19 seeking public input, shall establish and the executive
20 commissioner by rule shall adopt guidelines for the evaluation of
21 criminal history record information of providers and potential
22 providers. The guidelines must outline conduct, by provider type,
23 that may be contained in criminal history record information that
24 will result in exclusion of a person from Medicaid as a provider,
25 taking into consideration:

26 (1) the extent to which the underlying conduct relates
27 to the services provided under Medicaid;

1 (2) the degree to which the person would interact with
2 Medicaid recipients as a provider; and

3 (3) any previous evidence that the person engaged in
4 fraud, waste, or abuse under Medicaid.

5 (d) The guidelines adopted under Subsection (c) may not
6 impose stricter standards for the eligibility of a person to
7 participate in Medicaid than a licensing authority described by
8 Subsection (a) requires for the person to engage in a health care
9 profession without restriction in this state.

10 (e) The office and the commission shall use the guidelines
11 adopted under Subsection (c) to determine whether a provider
12 participating in Medicaid continues to be eligible to participate
13 in Medicaid as a provider.

14 (f) The provider enrollment contractor, if applicable, and
15 a managed care organization participating in Medicaid shall defer
16 to the office regarding whether a person's criminal history record
17 information precludes the person from participating in Medicaid as
18 a provider.

19 Sec. 531.1033. MONITORING OF CERTAIN FEDERAL DATABASES.
20 The office shall routinely check appropriate federal databases,
21 including databases referenced in 42 C.F.R. Section 455.436, to
22 ensure that a person who is excluded from participating in Medicaid
23 or in the Medicare program by the federal government is not
24 participating as a provider in Medicaid.

25 Sec. 531.1034. TIME TO DETERMINE PROVIDER ELIGIBILITY;
26 PERFORMANCE METRICS. (a) Not later than the 10th day after the
27 date the office receives the complete application of a health care

1 professional seeking to participate in Medicaid, the office shall
2 inform the commission or the health care professional, as
3 appropriate, of the office's determination regarding whether the
4 health care professional should be denied participation in Medicaid
5 based on:

6 (1) information concerning the licensing status of the
7 health care professional obtained as described by Section
8 531.1032(a);

9 (2) information contained in the criminal history
10 record information check that is evaluated in accordance with
11 guidelines adopted under Section 531.1032(c);

12 (3) a review of federal databases under Section
13 531.1033;

14 (4) the pendency of an open investigation by the
15 office; or

16 (5) any other reason the office determines
17 appropriate.

18 (b) Completion of an on-site visit of a health care
19 professional during the period prescribed by Subsection (a) is not
20 required.

21 (c) The office shall develop performance metrics to measure
22 the length of time for conducting a determination described by
23 Subsection (a) with respect to applications that are complete when
24 submitted and all other applications.

25 (c) Not later than September 1, 2016, the executive
26 commissioner of the Health and Human Services Commission shall
27 adopt the guidelines required under Section 531.1032(c),

Government Code, as added by this section.

SECTION 2.14. (a) Chapter 531, Government Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. COORDINATION OF QUALITY INITIATIVES

Sec. 531.451. OPERATIONAL PLAN TO COORDINATE INITIATIVES.

(a) The commission shall develop and implement a comprehensive, coordinated operational plan to ensure a consistent approach across the major quality initiatives of the health and human services system for improving the quality of health care.

(b) The operational plan developed under this section must include broad goals for the improvement of the quality of health care in this state, including health care services provided through Medicaid.

Sec. 531.452. REVISION OF MAJOR INITIATIVES.

Notwithstanding any other law, the commission shall revise major quality initiatives of the health and human services system in accordance with the operational plan and health care quality improvement goals developed under Section 531.451. To the extent it is possible, the commission shall ensure that outcome measure data is collected and reported consistently across all major quality initiatives to improve the evaluation of the initiatives' statewide impact.

Sec. 531.453. INCENTIVES FOR INITIATIVE COORDINATION. The

commission shall consider and, if the commission determines it appropriate, develop incentives that promote coordination among the various major quality initiatives in accordance with this subchapter, including projects and initiatives approved under the

1 Texas Health Care Transformation and Quality Improvement Program
2 waiver issued under Section 1115 of the federal Social Security Act
3 (42 U.S.C. Section 1315).

4 Sec. 531.454. RENEWAL OF FEDERAL AUTHORIZATION FOR MEDICAID
5 REFORM. (a) When the commission seeks to renew the Texas Health
6 Care Transformation and Quality Improvement Program waiver issued
7 under Section 1115 of the federal Social Security Act (42 U.S.C.
8 Section 1315), the commission shall, to the extent permitted under
9 federal law:

10 (1) seek to reduce the number of approved project
11 options that may be funded under the waiver using delivery system
12 reform incentive payments to include only those projects that are:

13 (A) the most critical for improving the quality
14 of health care, including behavioral health services; and

15 (B) consistent with the operational plan and
16 health care quality improvement goals developed under Section
17 531.451; and

18 (2) allow a delivery system reform incentive payment
19 project that, as a result of Subdivision (1), is no longer an option
20 under the waiver, to continue operating as long as the project meets
21 funding requirements and outcome objectives.

22 (b) In reducing the number of approved project options under
23 Subsection (a), the commission shall take into consideration the
24 diversity of local and regional health care needs in this state.

25 (c) This section expires September 1, 2017.

26 (b) As soon as possible after the effective date of this
27 article, the Health and Human Services Commission shall develop the

1 operational plan and perform the other actions corresponding with
2 the operational plan as required under Subchapter M, Chapter 531,
3 Government Code, as added by this article.

4 SECTION 2.15. Section 533.00255(a), Government Code, is
5 amended to read as follows:

6 (a) In this section, "behavioral health services" means
7 mental health and substance abuse disorder services[~~, other than~~
8 ~~those provided through the NorthSTAR demonstration project~~].

9 SECTION 2.16. Subchapter A, Chapter 533, Government Code,
10 is amended by adding Section 533.002551 to read as follows:

11 Sec. 533.002551. MONITORING OF COMPLIANCE WITH BEHAVIORAL
12 HEALTH INTEGRATION. (a) In this section, "behavioral health
13 services" has the meaning assigned by Section 533.00255.

14 (b) In monitoring contracts the commission enters into with
15 managed care organizations under this chapter, the commission
16 shall:

17 (1) ensure managed care organizations fully integrate
18 behavioral health services into a recipient's primary care
19 coordination;

20 (2) use performance audits and other oversight tools
21 to improve monitoring of the provision and coordination of
22 behavioral health services; and

23 (3) establish performance measures that may be used to
24 determine the effectiveness of the integration of behavioral health
25 services.

26 (c) In monitoring a managed care organization's compliance
27 with behavioral health services integration requirements under

1 this section, the commission shall give particular attention to a
2 managed care organization that provides behavioral health services
3 through a contract with a third party.

4 SECTION 2.17. Subchapter A, Chapter 533, Government Code,
5 is amended by adding Section 533.0061 to read as follows:

6 Sec. 533.0061. FREQUENCY OF PROVIDER CREDENTIALING. A
7 managed care organization that contracts with the commission to
8 provide health care services to Medicaid recipients under a managed
9 care plan issued by the organization shall formally recredential a
10 physician or other provider with the frequency required by the
11 single, consolidated Medicaid provider enrollment and
12 credentialing process, if that process is created under Section
13 531.02118. The required frequency of recredentialing may be less
14 frequent than once in any three-year period, notwithstanding any
15 other law.

16 SECTION 2.18. Subchapter A, Chapter 533, Government Code,
17 is amended by adding Section 533.0077 to read as follows:

18 Sec. 533.0077. STATEWIDE EFFORT TO PROMOTE MAINTENANCE OF
19 ELIGIBILITY. (a) The commission shall develop and implement a
20 statewide effort to assist recipients who satisfy Medicaid
21 eligibility requirements and who receive Medicaid services through
22 a managed care organization with maintaining eligibility and
23 avoiding lapses in coverage under Medicaid.

24 (b) As part of its effort under Subsection (a), the
25 commission shall:

26 (1) require each managed care organization providing
27 health care services to recipients to assist those recipients with

1 maintaining eligibility;

2 (2) if the commission determines it is cost-effective,
3 develop specific strategies for assisting recipients who receive
4 Supplemental Security Income (SSI) benefits under 42 U.S.C. Section
5 1381 et seq. with maintaining eligibility; and

6 (3) ensure information that is relevant to a
7 recipient's eligibility status is provided to the managed care
8 organization through which the recipient receives Medicaid
9 services.

10 SECTION 2.19. (a) Section [533.015](#), Government Code, as
11 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
12 2015, is amended to read as follows:

13 Sec. 533.015. COORDINATION OF EXTERNAL OVERSIGHT
14 ACTIVITIES. (a) To the extent possible, the commission shall
15 coordinate all external oversight activities to minimize
16 duplication of oversight of managed care plans under Medicaid and
17 disruption of operations under those plans.

18 (b) The executive commissioner, after consulting with the
19 commission's office of inspector general, shall, by rule, define
20 the commission's and office's roles in and jurisdiction over, and
21 frequency of, audits of managed care organizations participating in
22 Medicaid that are conducted by the commission and the commission's
23 office of inspector general.

24 (c) In accordance with Section [531.102](#)(g), the commission
25 shall share with the commission's office of inspector general, at
26 the request of the office, the results of any informal audit or
27 onsite visit that could inform that office's risk assessment when

1 determining whether to conduct, or the scope of, an audit of a
2 managed care organization participating in Medicaid.

3 (b) Not later than September 1, 2016, the executive
4 commissioner of the Health and Human Services Commission shall
5 adopt rules required by Section 533.015(b), Government Code, as
6 added by this article.

7 SECTION 2.20. Section 533.041(a), Government Code, as
8 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
9 2015, is amended to read as follows:

10 (a) The executive commissioner shall appoint a state
11 Medicaid managed care advisory committee. The advisory committee
12 consists of representatives of:

- 13 (1) hospitals;
- 14 (2) managed care organizations and participating
15 health care providers;
- 16 (3) primary care providers and specialty care
17 providers;
- 18 (4) state agencies;
- 19 (5) low-income recipients or consumer advocates
20 representing low-income recipients;
- 21 (6) recipients with disabilities, including
22 recipients with an intellectual or developmental disability or with
23 physical disabilities, or consumer advocates representing those
24 recipients;
- 25 (7) parents of children who are recipients;
- 26 (8) rural providers;
- 27 (9) advocates for children with special health care

1 needs;

2 (10) pediatric health care providers, including
3 specialty providers;

4 (11) long-term services and supports providers,
5 including nursing facility providers and direct service workers;

6 (12) obstetrical care providers;

7 (13) community-based organizations serving low-income
8 children and their families;

9 (14) community-based organizations engaged in
10 perinatal services and outreach;

11 (15) recipients who are 65 years of age or older;

12 (16) recipients with mental illness;

13 (17) nonphysician mental health providers
14 participating in the Medicaid managed care program; and

15 (18) entities with responsibilities for the delivery
16 of long-term services and supports or other Medicaid service
17 delivery, including:

18 (A) independent living centers;

19 (B) area agencies on aging;

20 (C) aging and disability resource centers
21 established under the Aging and Disability Resource Center
22 initiative funded in part by the federal Administration on Aging
23 and the Centers for Medicare and Medicaid Services; and

24 (D) community mental health and intellectual
25 disability centers~~[, and~~

26 ~~[(E) the NorthSTAR Behavioral Health Program~~
27 ~~provided under Chapter 534, Health and Safety Code].~~

SECTION 2.21. (a) Chapter 533, Government Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. PILOT PROGRAM TO INCREASE INCENTIVE-BASED PROVIDER PAYMENTS

Sec. 533.081. DEFINITION. In this subchapter, "pilot program" means the pilot program to increase incentive-based provider payments established under Section 533.082.

Sec. 533.082. PILOT PROGRAM TO INCREASE INCENTIVE-BASED PROVIDER PAYMENTS. The commission shall develop a pilot program to increase the use and effectiveness of incentive-based provider payments by managed care organizations providing services under the Medicaid managed care program. The commission and the managed care organizations providing those services in at least one managed care service delivery area shall work with health care providers and professional associations composed of health care providers to develop common payment incentive methodologies for the pilot program that:

(1) are structured to reward appropriate, quality care;

(2) align outcomes of the pilot program with the commission's Medicaid managed care quality-based payment programs;

(3) are not intended to supplant existing incentive-based contracts between the managed care organizations and providers;

(4) are structured to encourage formal arrangements among providers to work together to provide better patient care;

(5) are adopted by all managed care organizations

1 providing services under the Medicaid managed care program through
2 the same managed care service delivery model so that similar
3 incentive methodologies apply to all participating providers under
4 the same model; and

5 (6) are voluntarily agreed to by the participating
6 providers.

7 Sec. 533.083. ASSESSMENT AND IMPLEMENTATION OF PILOT
8 PROGRAM FINDINGS. Not later than September 1, 2018, and
9 notwithstanding any other law, the commission shall:

10 (1) based on the results of the pilot program,
11 identify which types of incentive-based provider payment goals and
12 outcome measures are most appropriate for statewide implementation
13 and the services that can be provided using those goals and outcome
14 measures; and

15 (2) require that a managed care organization that has
16 contracted with the commission to provide health care services to
17 recipients implement the payment goals and outcome measures
18 identified under Subdivision (1).

19 Sec. 533.084. EXPIRATION. Sections 533.081 and 533.082 and
20 this section expire September 1, 2018.

21 (b) As soon as possible after the effective date of this
22 article, the Health and Human Services Commission shall develop the
23 pilot program required under Subchapter E, Chapter 533, Government
24 Code, as added by this article.

25 (c) The Health and Human Services Commission, in a contract
26 between the commission and a managed care organization under
27 Chapter 533, Government Code, that is entered into or renewed on or

1 after September 1, 2018, shall require that the managed care
2 organization implement the incentive-based provider payment goals
3 and outcome measures identified by the commission under Section
4 533.083, Government Code, as added by this article.

5 (d) The Health and Human Services Commission shall seek to
6 amend contracts entered into with managed care organizations under
7 Chapter 533, Government Code, before September 1, 2018, to require
8 that those managed care organizations implement the
9 incentive-based provider payment goals and outcome measures
10 identified by the commission under Section 533.083, Government
11 Code, as added by this article. To the extent of a conflict between
12 that section and a provision of a contract with a managed care
13 organization entered into before September 1, 2018, the contract
14 provision prevails.

15 SECTION 2.22. Section 1001.080(b), Health and Safety Code,
16 is amended to read as follows:

17 (b) This section applies to health or mental health
18 benefits, services, or assistance provided by the department that
19 the department anticipates will be impacted by a health insurance
20 exchange as defined by Section 1001.081(a), including:

21 (1) community primary health care services provided
22 under Chapter 31;

23 (2) women's and children's health services provided
24 under Chapter 32;

25 (3) services for children with special health care
26 needs provided under Chapter 35;

27 (4) epilepsy program assistance provided under

Chapter 40;

(5) hemophilia program assistance provided under Chapter 41;

(6) kidney health care services provided under Chapter 42;

(7) human immunodeficiency virus infection and sexually transmitted disease prevention programs and services provided under Chapter 85;

(8) immunization programs provided under Chapter 161;

(9) programs and services provided by the Rio Grande State Center under Chapter 252;

(10) mental health services for adults provided under Chapter 534;

(11) mental health services for children provided under Chapter 534;

~~(12) [the NorthSTAR Behavioral Health Program provided under Chapter 534];~~

~~(13)~~ programs and services provided by community mental health hospitals under Chapter 552;

(13) ~~(14)~~ programs and services provided by state mental health hospitals under Chapter 552; and

(14) ~~(15)~~ any other health or mental health program or service designated by the department.

SECTION 2.23. Section 1001.201(2), Health and Safety Code, as added by Chapter 1306 (H.B. 3793), Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

(2) "Local mental health authority" has the meaning

1 assigned by Section 531.002 [~~and includes the local behavioral~~
2 ~~health authority for the NorthSTAR Behavioral Health Program~~].

3 ARTICLE 3. HEALTH AND HUMAN SERVICES SYSTEM ADVISORY ENTITIES

4 SECTION 3.01. Section 262.353(d), Family Code, is amended
5 to read as follows:

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

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

13 (2) each option recommended for implementation, if
14 any;

15 (3) each option that is implemented using existing
16 resources;

17 (4) any policy or statutory change needed to implement
18 a recommended option;

19 (5) the fiscal impact of implementing each option, if
20 any;

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

23 (7) any other significant information relating to the
24 study.

25 SECTION 3.02. (a) Section 531.012, Government Code, as
26 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
27 2015, is amended to read as follows:

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

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

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

23 (c) The executive commissioner shall adopt rules:

- 24 (1) in compliance with Chapter 2110 to govern an
25 advisory committee's purpose, tasks, reporting requirements, and
26 date of abolition; and
27 (2) related to an advisory committee's:

1 (A) size and quorum requirements;

2 (B) membership, including:

3 (i) qualifications to be a member,
4 including any experience requirements;

5 (ii) required geographic representation;

6 (iii) appointment procedures; and

7 (iv) terms of members; and

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

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

12 (1) report any recommendations to the executive
13 commissioner at a meeting of the Health and Human Services
14 Commission Executive Council established under Section 531.0051;
15 and

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

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

23 SECTION 3.03. Subchapter A, Chapter 531, Government Code,
24 is amended by adding Section 531.0121 to read as follows:

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

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

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

6 (1) the master calendar;

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

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

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

13 SECTION 3.04. Section 531.0216(b), Government Code, is
14 amended to read as follows:

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

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

19 (2) establish billing codes and a fee schedule for
20 services;

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

23 (4) consult with the Department of State Health
24 Services [~~and the telemedicine and telehealth advisory committee~~]
25 to establish procedures to:

26 (A) identify clinical evidence supporting
27 delivery of health care services using a telecommunications system;

1 and

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

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

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

12 SECTION 3.05. Section 531.02441(j), Government Code, is
13 amended to read as follows:

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

16 SECTION 3.06. Section 531.051(c), Government Code, as
17 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
18 2015, is amended to read as follows:

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

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

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

26 (3) maintain procedures to ensure that a potential
27 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.

SECTION 3.07. 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]~~.

1 The ~~[(a) The commission shall appoint a Public Assistance Health~~
2 ~~Benefit Review and Design Committee. The committee consists of~~
3 ~~nine representatives of health care providers participating in~~
4 ~~Medicaid or the child health plan program, or both. The committee~~
5 ~~membership must include at least three representatives from each~~
6 ~~program.~~

7 ~~[(b) The executive commissioner shall designate one member~~
8 ~~to serve as presiding officer for a term of two years.~~

9 ~~[(c) The committee shall meet at the call of the presiding~~
10 ~~officer.~~

11 ~~[(d) The committee shall review and provide recommendations~~
12 ~~to the commission regarding health benefits and coverages provided~~
13 ~~under Medicaid, the child health plan program, and any other~~
14 ~~income-based health care program administered by the commission or~~
15 ~~a health and human services agency. In performing its duties under~~
16 ~~this subsection, the committee must:~~

17 ~~[(1) review benefits provided under each of the~~
18 ~~programs, and~~

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

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

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

25 ~~[(g) In performing the duties under this section, the]~~
26 commission may design and implement a program to improve and
27 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.]~~

SECTION 3.08. (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

1 to be performed, the commission shall:

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

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

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

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

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

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

24 (e) The cost-saving estimates for prospective drug use
25 reviews under Subsection (d) must include savings attributed to
26 drug use reviews performed through the vendor drug program's
27 electronic claims processing system and clinical edits screened

1 through the prior authorization system implemented under Section
2 531.073.

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

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

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

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

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

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

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

19 (4) review drug utilization across Medicaid; and

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

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

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

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

1 and one of whom must be a pharmacist;

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

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

8 (i) a pediatrician;

9 (ii) a primary care physician;

10 (iii) an obstetrician and gynecologist;

11 (iv) a child and adolescent psychiatrist;

12 and

13 (v) an adult psychiatrist; and

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

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

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

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

25 (1) attend executive sessions; or

26 (2) access confidential drug pricing information.

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

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

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

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

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

25 (j) In addition to the rules under Subsection (i), the
 26 executive commissioner by rule shall require the board or the
 27 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

1 Board [~~Pharmaceutical and Therapeutics Committee established~~]
2 under Section 531.0736 [~~531.074~~];

3 (2) the clinical efficacy of the drug;

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

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

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

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

15 (2) any drug that has been approved or has had any of
16 its particular uses approved by the United States Food and Drug
17 Administration under a priority review classification will be
18 reviewed by the Drug Utilization Review Board [~~Pharmaceutical and~~
19 ~~Therapeutics Committee~~] at the next regularly scheduled meeting of
20 the board [~~committee~~]. On receiving notice from a manufacturer or
21 labeler of the availability of a new product, the commission, to the
22 extent possible, shall schedule a review for the product at the next
23 regularly scheduled meeting of the board [~~committee~~].

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

26 (b) The commission shall establish procedures for the prior
27 authorization requirement under the Medicaid vendor drug program to

1 ensure that the requirements of 42 U.S.C. Section 1396r-8(d)(5) and
2 its subsequent amendments are met. Specifically, the procedures
3 must ensure that:

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

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

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

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

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

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

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

27 (3) the rationale for any departure from a

1 recommendation of the Drug Utilization Review Board
2 [~~pharmaceutical and therapeutics committee established~~] under
3 Section 531.0736 [~~531.074~~].

4 (g) Section 531.074, Government Code, as amended by S.B.
5 219, Acts of the 84th Legislature, Regular Session, 2015, is
6 repealed.

7 (h) The term of a member serving on the Medicaid Drug
8 Utilization Review Board on September 1, 2015, expires on October
9 31, 2015. Not later than November 1, 2015, the executive
10 commissioner of the Health and Human Services Commission shall
11 appoint the initial members to the Drug Utilization Review Board in
12 accordance with Section 531.0736, Government Code, as added by this
13 article, for terms beginning November 1, 2015. In making the
14 initial appointments and notwithstanding Section 531.0736(e),
15 Government Code, as added by this article, the executive
16 commissioner shall designate as close to one-half as possible of
17 the members to serve for terms expiring November 1, 2017, and the
18 remaining members to serve for terms expiring November 1, 2019.

19 (i) Not later than October 1, 2015, and before making
20 initial appointments to the Drug Utilization Review Board as
21 provided by Subsection (h) of this section, the executive
22 commissioner of the Health and Human Services Commission shall
23 adopt and implement the application process required under Section
24 531.0736(c-1), Government Code, as added by this article.

25 (j) Not later than January 1, 2016, and except as provided
26 by Subsection (i) of this section, the executive commissioner of
27 the Health and Human Services Commission shall adopt or amend rules

1 as necessary to reflect the changes in law made to the Drug
2 Utilization Review Board under Section 531.0736, Government Code,
3 as added by this article, including rules that reflect the changes
4 to the board's functions and composition.

5 SECTION 3.09. The heading to Subchapter D, Chapter 531,
6 Government Code, is amended to read as follows:

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

9 SECTION 3.10. Section [531.124](#), Government Code, is amended
10 to read as follows:

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

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

19 (2) foster the establishment and growth of local
20 volunteer guardianship programs.

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

25 SECTION 3.11. Section [531.907](#)(a), Government Code, as
26 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
27 2015, is amended to read as follows:

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

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

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

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

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

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

23 SECTION 3.12. Section 531.909, Government Code, is amended
24 to read as follows:

25 Sec. 531.909. INCENTIVES. The commission [~~and the advisory~~
26 ~~committee established under Section 531.904~~] shall develop
27 strategies to encourage health care providers to use the health

1 information exchange system, including incentives, education, and
2 outreach tools to increase usage.

3 SECTION 3.13. Section 533.00251(c), Government Code, as
4 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
5 2015, is amended to read as follows:

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

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

16 (2) that a nursing facility is paid not later than the
17 10th day after the date the facility submits a clean claim;

18 (3) the appropriate utilization of services
19 consistent with criteria established by the commission;

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

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

27 (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.

SECTION 3.14. 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

1 read as follows:

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

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

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

14 (3) improve the health outcomes of recipients;

15 (4) improve recipients' access to health care
16 services;

17 (5) achieve cost containment and cost efficiency;

18 (6) reduce the administrative complexity of
19 delivering Medicaid benefits;

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

24 (8) require a health home; and

25 (9) coordinate and collaborate with long-term care
26 service providers and long-term care management providers, if
27 recipients are receiving long-term services and supports outside of

1 the managed care organization.

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

7 SECTION 3.15. Section 533.00254(f), Government Code, is
8 amended to read as follows:

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

12 (1) the advisory committee is abolished; and

13 (2) this section expires.

14 SECTION 3.16. Section 533.00256(a), Government Code, is
15 amended to read as follows:

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

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

26 (2) require managed care organizations to develop and
27 implement collaborative program improvement strategies to address

1 the goals.

2 SECTION 3.17. Section 534.053(g), Government Code, is
3 amended to read as follows:

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

7 (1) the advisory committee is abolished; and

8 (2) this section expires.

9 SECTION 3.18. Section 535.053, Government Code, is amended
10 by amending Subsection (a) and adding Subsection (a-1) to read as
11 follows:

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

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

24 SECTION 3.19. Sections 535.055(a) and (b), Government Code,
25 are amended to read as follows:

26 (a) The Texas Nonprofit Council is established to help
27 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.

SECTION 3.20. 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.

SECTION 3.21. 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

1 commission that may have resulted from deficiencies in the care or
2 treatment provided to the person during a previous hospital stay or
3 from deficiencies in post-hospital discharge follow-up. The term
4 does not include a hospital readmission necessitated by the
5 occurrence of unrelated events after the discharge. The term
6 includes the readmission of a person to a hospital for:

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

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

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

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

17 SECTION 3.22. Section 536.003(a), Government Code, as
18 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
19 2015, is amended to read as follows:

20 (a) The commission~~[, in consultation with the advisory~~
21 ~~committee]~~ shall develop quality-based outcome and process
22 measures that promote the provision of efficient, quality health
23 care and that can be used in the child health plan program and
24 Medicaid to implement quality-based payments for acute care
25 services and long-term services and supports across all delivery
26 models and payment systems, including fee-for-service and managed
27 care payment systems. Subject to Subsection (a-1), the commission,

1 in developing outcome and process measures under this section, must
2 include measures that are based on potentially preventable events
3 and that advance quality improvement and innovation. The
4 commission may change measures developed:

5 (1) to promote continuous system reform, improved
6 quality, and reduced costs; and

7 (2) to account for managed care organizations added to
8 a service area.

9 SECTION 3.23. Section 536.004(a), Government Code, as
10 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
11 2015, is amended to read as follows:

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

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

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

25 (3) promote the coordination of health care;

26 (4) encourage appropriate physician and other health
27 care provider collaboration;

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

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

4 SECTION 3.24. Section 536.006(a), Government Code, is
5 amended to read as follows:

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

7 (1) ensure transparency in the development and
8 establishment of:

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

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

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

24 (3) in developing and establishing the quality-based
25 payment and reimbursement systems and initiatives described under
26 Subdivision (1), consider that as the performance of a managed care
27 organization or physician or other health care provider improves

1 with respect to an outcome or process measure, quality of care and
2 cost-efficiency benchmark, or efficiency performance standard, as
3 applicable, there will be a diminishing rate of improved
4 performance over time; and

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

10 SECTION 3.25. Section 536.052(b), Government Code, is
11 amended to read as follows:

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

18 SECTION 3.26. Section 536.102(a), Government Code, is
19 amended to read as follows:

20 (a) Subject to this subchapter, the commission[~~, after~~
21 ~~consulting with the advisory committee,~~] may develop and implement
22 quality-based payment systems for health homes designed to improve
23 quality of care and reduce the provision of unnecessary medical
24 services. A quality-based payment system developed under this
25 section must:

26 (1) base payments made to a participating enrollee's
27 health home on quality and efficiency measures that may include

1 measurable wellness and prevention criteria and use of
2 evidence-based best practices, sharing a portion of any realized
3 cost savings achieved by the health home, and ensuring quality of
4 care outcomes, including a reduction in potentially preventable
5 events; and

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

10 SECTION 3.27. Section 536.152(a), Government Code, is
11 amended to read as follows:

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

24 SECTION 3.28. Section 536.202(a), Government Code, is
25 amended to read as follows:

26 (a) The commission shall~~[, after consulting with the~~
27 ~~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.

SECTION 3.29. 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 (1)]~~.

SECTION 3.30. 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.

SECTION 3.31. 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].~~

SECTION 3.32. 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 3.33. 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;

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

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

14 SECTION 3.34. Section 22.035, Human Resources Code, is
15 amended by adding Subsection (n) to read as follows:

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

18 SECTION 3.35. (a) Section 32.022(b), Human Resources
19 Code, as amended by S.B.219, Acts of the 84th Legislature, Regular
20 Session, 2015, is amended to read as follows:

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

24 (1) provide for a balanced representation of the
25 general public, providers, consumers, and other persons, state
26 agencies, or groups with knowledge of and interest in the
27 committee's field of work; and

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

3 (b) Not later than September 1, 2015, the executive
4 commissioner of the Health and Human Services Commission shall
5 appoint an additional member to the medical care advisory committee
6 in accordance with Section 32.022(b)(2), Human Resources Code, as
7 added by this article.

8 SECTION 3.36. Section 32.0641(a), Human Resources Code, as
9 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
10 2015, is amended to read as follows:

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

22 SECTION 3.37. Section 1352.004(b), Insurance Code, is
23 amended to read as follows:

24 (b) The commissioner by rule shall require a health benefit
25 plan issuer to provide adequate training to personnel responsible
26 for preauthorization of coverage or utilization review under the
27 plan. The purpose of the training is to prevent denial of coverage

1 in violation of Section 1352.003 and to avoid confusion of medical
 2 benefits with mental health benefits. The commissioner[~~, in~~
 3 ~~consultation with the Texas Traumatic Brain Injury Advisory~~
 4 ~~Council,~~] shall prescribe by rule the basic requirements for the
 5 training described by this subsection.

6 SECTION 3.38. Section 1352.005(b), Insurance Code, is
 7 amended to read as follows:

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

12 SECTION 3.39. (a) The following provisions of the
 13 Government Code, including provisions amended by S.B. 219, Acts of
 14 the 84th Legislature, Regular Session, 2015, are repealed:

- 15 (1) Section 531.0217(j);
- 16 (2) Section 531.02172;
- 17 (3) Section 531.02173(c);
- 18 (4) Section 531.052;
- 19 (5) Section 531.0571;
- 20 (6) Section 531.068;
- 21 (7) Sections 531.121(1), (5), and (6);
- 22 (8) Section 531.122;
- 23 (9) Section 531.123;
- 24 (10) Section 531.1235;
- 25 (11) Section 531.251;
- 26 (12) Subchapters R and T, Chapter 531;
- 27 (13) Section 531.904;

- 1 (14) Section 533.00251(a)(1);
- 2 (15) Section 533.00252;
- 3 (16) Sections 533.00255(e) and (f);
- 4 (17) Section 533.00285;
- 5 (18) Subchapters B and C, Chapter 533;
- 6 (19) Section 535.055(f);
- 7 (20) Section 535.108;
- 8 (21) Section 536.001(1);
- 9 (22) Section 536.002; and
- 10 (23) Section 536.007(b).

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

- 14 (1) Subchapter C, Chapter 32;
- 15 (2) Section 62.151(e);
- 16 (3) Section 62.1571(c);
- 17 (4) Section 81.010;
- 18 (5) Section 92.011;
- 19 (6) Subchapter B, Chapter 92;
- 20 (7) Chapter 115;
- 21 (8) Section 1002.001(1);
- 22 (9) Section 1002.051;
- 23 (10) Section 1002.052;
- 24 (11) Section 1002.053;
- 25 (12) Section 1002.055;
- 26 (13) Section 1002.056;
- 27 (14) Section 1002.057;

1 (15) Section 1002.058; and

2 (16) Section 1002.059.

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

6 SECTION 3.40. On the effective date of this article, the
7 following advisory committees are abolished:

8 (1) the advisory committee on Medicaid and child
9 health plan program rate and expenditure disparities;

10 (2) the Advisory Committee on Qualifications for
11 Health Care Translators and Interpreters;

12 (3) the Behavioral Health Integration Advisory
13 Committee;

14 (4) the Consumer Direction Work Group;

15 (5) the Council on Children and Families;

16 (6) the Electronic Health Information Exchange System
17 Advisory Committee;

18 (7) the Guardianship Advisory Board;

19 (8) the hospital payment advisory committee;

20 (9) the Interagency Coordinating Council for HIV and
21 Hepatitis;

22 (10) the Medicaid and CHIP Quality-Based Payment
23 Advisory Committee;

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

27 (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.

SECTION 3.41. (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 3.46 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.

SECTION 3.42. Except as otherwise provided by this article, this article takes effect January 1, 2016.

ARTICLE 4. CONTINUATION OF HEALTH AND HUMAN SERVICES POWERS AND
DUTIES

SECTION 4.01. Section 531.004, Government Code, is amended to read as follows:

Sec. 531.004. SUNSET PROVISION. The Health and Human Services Commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2027 [2015].

SECTION 4.02. Section 108.016, Health and Safety Code, is amended to read as follows:

Sec. 108.016. SUNSET REVIEW. Unless the department is
continued in existence in accordance with Chapter 325, Government

Code (Texas Sunset Act), after the review required by Section 1001.003 [~~11.003(b)~~], this chapter expires on the date the department is abolished under that section [~~September 1, 2015~~].

SECTION 4.03. Section 1001.003, Health and Safety Code, is amended to read as follows:

Sec. 1001.003. SUNSET PROVISION. The Department of State Health Services is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2023 [~~2015~~].

SECTION 4.04. Section 40.003, Human Resources Code, is amended to read as follows:

Sec. 40.003. SUNSET PROVISION. The Department of Family and Protective Services is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2023 [~~2015~~].

SECTION 4.05. Section 117.003, Human Resources Code, is amended to read as follows:

Sec. 117.003. SUNSET PROVISION. Unless the commission is [~~The Department of Assistive and Rehabilitative Services is subject to Chapter 325, Government Code (Texas Sunset Act). Unless~~] continued in existence as provided by Chapter 325, Government Code [~~that chapter~~], after the review required by Section 531.004, Government Code, [~~the department is abolished and~~] this chapter expires on the date the commission is abolished under that section [~~September 1, 2015~~].

1 SECTION 4.06. Section 161.003, Human Resources Code, as
2 amended by S.B. 219, Acts of the 84th Legislature, Regular Session,
3 2015, is amended to read as follows:

4 Sec. 161.003. SUNSET PROVISION. Unless the commission is
5 ~~[The department is subject to Chapter 325, Government Code (Texas~~
6 ~~Sunset Act). Unless]~~ continued in existence as provided by Chapter
7 325, Government Code [that chapter], after the review required by
8 Section 531.004, Government Code, [the department is abolished and]
9 this chapter expires on the date the commission is abolished under
10 that section [September 1, 2015].

11 ARTICLE 5. FEDERAL AUTHORIZATION AND EFFECTIVE DATE

12 SECTION 5.01. If before implementing any provision of this
13 Act a state agency determines that a waiver or authorization from a
14 federal agency is necessary for implementation of that provision,
15 the agency affected by the provision shall request the waiver or
16 authorization and may delay implementing that provision until the
17 waiver or authorization is granted.

18 SECTION 5.02. Except as otherwise provided by this Act,
19 this Act takes effect September 1, 2015.