

SUBJECT: Establishing a pilot program to provide health services to state employees

COMMITTEE: Public Health — committee substitute recommended

VOTE: 6 ayes — Delisi, Truitt, Dawson, McReynolds, Solis, Zedler

0 nays

3 absent — Laubenberg, Coleman, Jackson

WITNESSES: For — Ray Hymel, Texas Public Employees Association; Caroline O'Connor, Texas State Employees Union; Joan Ross, Coalition for Nurses in Advanced Practice; (*Registered, but did not testify*: Amy Pope; Lynda Woolbert, Coalition for Nurses in Advanced Practice)

Against — None

On — Grace Montgomery Faulkner, Texas Commission on Environmental Quality; Philip Huang, Jennifer Smith, Department of State Health Services

DIGEST: CSHB 952 would require the Employees Retirement System (ERS) to develop and implement a pilot program to hire a licensed advanced practice nurse, who could be a state employee or a contractor, to provide on-site health services to state employees at the Texas Commission on Environmental Quality. A licensed physician, who could be a state employee or a contractor, would provide oversight of the nurse practitioner, and the program would have to supply appropriate office space, enough equipment to provide basic medical care, and professional liability insurance.

ERS would be required to determine the most cost-effective method to pay for the program. It could pay for some or all of the expenses directly or it could reimburse expenses through an interagency agreement as the expenses were incurred.

ERS would adopt necessary rules to implement the pilot program and would have to begin it 90 days after the ERS board adopted the rules. ERS would issue a report that included a summary of employee participation

rates, a cost and benefit analysis, and legislative recommendations concerning the pilot program. By December 31, 2006, ERS would send the report to the governor and legislative leaders, including standing committees of the House and the Senate with jurisdiction over state spending and health and human services.

If the program proved to be beneficial in meeting health care needs of state employees and its continuation or expansion would be economically beneficial, ERS could continue or expand the program. ERS would have to seek assistance from other state agencies if necessary to implement the program.

The bill would take effect September 1, 2005.

**SUPPORTERS
SAY:**

CSHB 952 would implement a pilot program that could help reduce the state's health care expenditures while improving the health and productivity of state employees. Health care delivered by an onsite nurse practitioner under a physician's supervision is convenient for employees and cost-effective for the state. Having access to onsite medical care increases employee productivity because it saves at least two hours of employee absence from work. This cuts down on the amount of sick time used and also boosts employee morale. Nevertheless, the bill would not require any state employee to utilize the service — it would be strictly voluntary.

This type of program has been very successful in private industry. Companies have reported high employee acceptance of this type of care, with almost all employees choosing to use the service. For example, one company that has provided onsite health care for its employees and their families since 1984 says this benefit has led to increased employee satisfaction and very low turnover. They say that in 2004, the onsite clinic delivered care for \$3.5 million that would have cost \$5.5 million at a physician's office or clinic. In addition, the amount saved by preventing employee absences was estimated at \$2 million, for a total savings that year of approximately \$4 million.

There has been an onsite nurse clinic at the Texas Capitol since 1992, which is available to 2,500 to 3,000 employees. During the interim, it is estimated that the onsite nurse sees about 25 employees each day, a number that easily doubles during legislative sessions. This amounts to annual savings of at least \$100,000 by a conservative estimate. The state

should explore offering the same benefits to employees at other large state office complexes. TCEQ is a logical choice for a pilot site because the agency has expressed the desire to implement the pilot, and its large campus has 2,500 employees and plenty of space in which to house the program.

OPPONENTS
SAY:

The state generally establishes pilot projects to evaluate programs before implementing them statewide. The advanced practice nurse clinic at the Capitol already has proven to be very successful. Based on this evidence, the bill should authorize implementation on a statewide basis and allow state agencies to move forward if they desire to implement onsite nurse clinics.

NOTES:

The substitute would modify the original version of the bill by requiring ERS, rather than the Department of State Health Services, to administer the pilot program. It also specifically would allow employees to choose whether to use the services. The substitute would allow for the nurse and supervising doctor to be contractors instead of requiring that they be state employees. ERS would be required to decide the best method to pay for the program. The substitute also changed the timeline for adopting rules and would require ERS to submit a report to state leaders.

The companion bill, SB 633 by Barrientos, has been referred to the Senate Government Organization Committee.

According to the fiscal note, the bill would cost \$169,219 in fiscal 2006-07.