

## **BILL ANALYSIS**

Senate Research Center

H.B. 727  
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Health & Human Services  
5/4/2003  
Engrossed

### **DIGEST AND PURPOSE**

Current Texas law does not provide programs for Medicaid-ineligible individuals with chronic diseases or conditions with assistance to help them better understand and manage their conditions. Such disease management programs aim to lower state costs and increase recipients' quality of health by reducing hospital and emergency room visits. H.B. 727 requires the Health and Human Services Commission or an agency operating a part of the medical assistance program as appropriate, to request contract proposals from disease management program providers and to conduct research on the potential for state savings through the use of such programs.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Health and Human Services Commission or an agency operating a part of the medical assistance program as appropriate, in SECTION 1 (Section 32.059, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 32, Human Resources Code, by adding Section 32.059, as follows:

Sec. 32.059. **CONTRACTS FOR DISEASE MANAGEMENT PROGRAMS.** (a) Requires the Health and Human Services Commission or an agency operating a part of the medical assistance program as appropriate (department) to request contract proposals from providers of disease management programs to provide program services to recipients of medical assistance who have certain diseases or other chronic health conditions that the department determines need disease management, and who are not eligible to receive those services under a Medicaid managed care plan.

(b) Authorizes the department to contract with a public or private entity to perform certain tasks.

(c) Requires the department to prescribe, by rule, the minimum requirements that a provider of a disease management program must meet in order to be eligible to receive a contract under this section. Requires the provider, at a minimum, to perform certain tasks.

(d) Prohibits the department from awarding a contract for a disease management program under this section unless the contract includes a written guarantee of state savings on expenditures for the group of medical assistance recipients covered by the program.

SECTION 2. (a) Requires the Health and Human Services Commission (HHSC) to conduct a study to analyze the potential for state savings through the use of programs under Section 32.059, Human Resources Code, as added by this Act. Specifies that the study must identify certain health conditions.

(b) Requires HHSC to consider results of the study when requesting contract proposals under Section 32.059, as added by this Act.

(c) Authorizes HHSC to contract with a private entity to conduct a study and produce a report under this section.

(d) Requires HHSC to complete the study required by this section by December 31, 2003.

SECTION 3. Authorizes an agency to delay implementation of any provision of this act while requesting a waiver or authorization from a federal agency, if the agency determines that such a waiver is necessary for implementation of that provision.

SECTION 4. Effective date: September 1, 2003.