

BILL ANALYSIS

Senate Research Center
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H.B. 880
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Finance
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The attorney general is frequently asked to perform a review of major health care procurement contracts at state agencies. However, these reviews are often requested at the end of the contracting process where it is more difficult to incorporate suggested changes. It is more effective if the attorney general assists at the beginning of the procurement process.

H.B. 880 remedies this situation by authorizing the attorney general to review certain contracts for healthcare purposes.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 531, Government Code, by adding Section 531.018, as follows:

Sec. 531.018. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES; REVIEW BY ATTORNEY GENERAL. (a) Provides that this section applies to any contract with a contract amount of \$250 million or more that meets certain criteria.

(b) Requires a representative of the office of the attorney general, notwithstanding any other law, before a contract described by Subsection (a) is authorized to be entered into by a Health and Human Services agency (agency), to review the form and terms of the contract and authorizes the representative to make recommendations to the agency for changes to the contract if the attorney general determines that the office of the attorney general has sufficient subject matter expertise and resources available to provide this service.

(c) Requires an agency described by Subsection (a)(2) to notify the office of the attorney general at the time the agency initiates the planning phase of the contracting process. Authorizes a representative of the office of the attorney general or another attorney advising the agency under Subsection (d) to participate in negotiations or discussions with proposed contractors and to be physically present during those negotiations or discussions.

(d) Authorizes the office of the attorney general to require the state agency to enter into an interagency agreement or to obtain outside legal services under Section 402.0212 for the provision of services described by this section, if the attorney general determines that the office of the attorney general does not have sufficient subject matter expertise or resources available to provide the services described by this section.

(e) Requires the state agency to provide to the office of the attorney general any information the office of the attorney general determines is necessary to administer this section.

SECTION 2. Amends Subchapter A, Chapter 811, Government Code, by adding Section 811.009, as follows:

Sec. 811.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES; REVIEW BY ATTORNEY GENERAL. (a) Provides that this section applies to any contract with a contract amount of \$250 million or more that meets certain criteria.

(b) Requires a representative of the office of the attorney general, notwithstanding any other law, before a contract described by Subsection (a) is authorized to be entered into by the retirement system, to review the form and terms of the contract and authorizes the representative to make recommendations to the retirement system for changes to the contract if the attorney general determines that the office of the attorney general has sufficient subject matter expertise and resources available to provide this service.

(c) Requires the Employees Retirement System of Texas (retirement system) to notify the office of the attorney general at the time the system initiates the planning phase of the contracting process. Authorizes a representative of the office of the attorney general or another attorney advising the agency under Subsection (d) to participate in negotiations or discussions with proposed contractors and to be physically present during those negotiations or discussions.

(d) Authorizes the office of the attorney general to require the retirement system to enter into an interagency agreement or to obtain outside legal services under Section 402.0212 for the provision of services described by this section, if the attorney general determines that the office of the attorney general does not have sufficient subject matter expertise or resources available to provide the services described by this section.

(e) Requires the retirement system to provide to the office of the attorney general any information the office of the attorney general determines is necessary to administer this section.

SECTION 3. Amends Subchapter A, Chapter 821, Government Code, by adding Section 821.009, as follows:

Sec. 821.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES; REVIEW BY ATTORNEY GENERAL. (a) Provides that this section applies to any contract with a contract amount of \$250 million or more that meets certain criteria.

(b) Requires a representative of the office of the attorney general, notwithstanding any other law, before a contract described by Subsection (a) is authorized to be entered into by the retirement system, to review the form and terms of the contract and authorizes the representative to make recommendations to the retirement system for changes to the contract if the attorney general determines that the office of the attorney general has sufficient subject matter expertise and resources available to provide this service.

(c) Requires the Teacher Retirement System of Texas (retirement system) to notify the office of the attorney general at the time the system initiates the planning phase of the contracting process. Authorizes a representative of the office of the attorney general or another attorney advising the agency under Subsection (d) to participate in negotiations or discussions with proposed contractors and may be physically present during those negotiations or discussions.

(d) Authorizes the office of the attorney general to require the retirement system to enter into an interagency agreement or to obtain outside legal services under Section 402.0212 for the provision of services described by this section, if the attorney general determines that the office of the attorney general does not have

sufficient subject matter expertise or resources available to provide the services described by this section.

(e) Requires the retirement system to provide to the office of the attorney general any information the office of the attorney general determines is necessary to administer this section.

SECTION 4. Provides that Sections 531.018, 811.009, and 821.009, Government Code, as added by this Act, apply only to a contract described by those sections that is entered into on or after November 1, 2005.

SECTION 5. Effective date: September 1, 2005.