

**SENATE BILL 371**  
**CORRECTIONAL MANAGED HEALTH CARE**  
**ADVISORY COMMITTEE**

The Legislature created the Correctional Managed Health Care Advisory Committee in 1993 to address concerns of the rising costs of offender health care and the sizable growth in the Texas prison population. The Presidents of the University Texas Medical Branch and Texas Tech University each appoint two members, and the Executive Director of the Texas Department of Criminal Justice also appoints two members to this six member panel. At least one member from each organization must be a licensed physician.

The Committee is responsible for establishing a managed health care system to control costs by negotiating contracts with a network of physicians, hospitals, and other health care providers. Today, health care services for inmates in the Texas Department of Criminal Justice (TDCJ) are provided through contractual relationships with the University of Texas Medical Branch at Galveston (UTMB) and the Texas Tech University Health Science Center. The Health Services Division of TDCJ monitors providers to make certain all inmates are receiving adequate and prompt health care services.

Senate Bill 371 continues the Committee for six years. The bill also expands the Committee's membership by adding three public members who will provide additional expertise and a broader perspective. Other provisions of the bill specify the duties of the Committee to manage the contracts for health care and monitor the quality of care inmates receive. Previously, these duties were specified only in the contracts between the Committee, TDCJ, and the health care providers.<sup>4</sup>

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<sup>4</sup> Id

*Enrolled*  
**ENROLLED**  
**76th-'99**

S.B. No. 371

AN ACT

1 relating to the continuation and functions of the Correctional  
2 Managed Health Care Advisory Committee.

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

4 SECTION 1. Chapter 501, Government Code, is amended by  
5 adding Subchapter E to read as follows:

6 SUBCHAPTER E. MANAGED HEALTH CARE

7 Sec. 501.131. DEFINITION. In this subchapter, "committee"  
8 means the Correctional Managed Health Care Committee.

9 Sec. 501.132. APPLICATION OF SUNSET ACT. The Correctional  
10 Managed Health Care Committee is subject to Chapter 325 (Texas  
11 Sunset Act). Unless continued in existence as provided by that  
12 chapter, the committee is abolished and this subchapter expires  
13 September 1, 2005.

14 Sec. 501.133. COMMITTEE MEMBERSHIP. (a) The committee  
15 consists of nine members appointed as follows:

16 (1) two members employed full-time by the department,  
17 at least one of whom is a physician, appointed by the executive  
18 director;

19 (2) two members employed full-time by The University  
20 of Texas Medical Branch at Galveston, at least one of whom is a  
21 physician, appointed by the president of the medical branch;

22 (3) two members employed full-time by the Texas Tech  
23 University Health Sciences Center, at least one of whom is a  
24 physician, appointed by the president of the university; and

1           (4) three public members appointed by the governor who  
2 are not affiliated with the department or with any entity with  
3 which the committee has contracted to provide health care services  
4 under this chapter, at least two of whom are licensed to practice  
5 medicine in this state.

6           (b) An appointment to the committee shall be made without  
7 regard to the race, color, disability, sex, religion, age, or  
8 national origin of the appointee.

9           Sec. 501.134. PUBLIC MEMBER ELIGIBILITY. A person may not  
10 be a public member of the committee if the person or the person's  
11 spouse:

12           (1) is employed by or participates in the management  
13 of a business entity or other organization regulated by or  
14 receiving money from the department or the committee;

15           (2) owns or controls, directly or indirectly, more  
16 than a 10 percent interest in a business entity or other  
17 organization regulated by or receiving money from the department or  
18 the committee; or

19           (3) uses or receives a substantial amount of tangible  
20 goods, services, or money from the department or the committee  
21 other than compensation or reimbursement authorized by law for  
22 committee membership, attendance, or expenses.

23           Sec. 501.135. MEMBERSHIP AND EMPLOYEE RESTRICTIONS. (a) In  
24 this section, "Texas trade association" means a cooperative and  
25 voluntarily joined association of business or professional  
26 competitors in this state designed to assist its members and its

1 industry or profession in dealing with mutual business or  
2 professional problems and in promoting their common interest.

3 (b) A person may not be a member of the committee and may  
4 not be a committee employee employed in a "bona fide executive,  
5 administrative, or professional capacity," as that phrase is used  
6 for purposes of establishing an exemption to the overtime  
7 provisions of the federal Fair Labor Standards Act of 1938 (29  
8 U.S.C. Section 201 et seq.) and its subsequent amendments if:

9 (1) the person is an officer, employee, or paid  
10 consultant of a Texas trade association in the field of health care  
11 or health care services; or

12 (2) the person's spouse is an officer, manager, or  
13 paid consultant of a Texas trade association in the field of health  
14 care or health care services.

15 (c) A person may not be a member of the committee or act as  
16 the general counsel to the committee if the person is required to  
17 register as a lobbyist under Chapter 305 because of the person's  
18 activities for compensation on behalf of a profession related to  
19 the operation of the committee.

20 Sec. 501.136. TERMS OF OFFICE. Committee members appointed  
21 by the governor serve staggered six-year terms, with the term of  
22 one of those members expiring on February 1 of each odd-numbered  
23 year. Other committee members serve at the will of the appointing  
24 official or until termination of the member's employment with the  
25 entity the member represents.

26 Sec. 501.137. PRESIDING OFFICER. The governor shall

1 designate a physician member of the committee as presiding officer.  
2 The presiding officer serves in that capacity at the will of the  
3 governor.

4 Sec. 501.138. GROUNDS FOR REMOVAL. (a) It is a ground for  
5 removal from the committee that a member:

6 (1) does not have at the time of taking office the  
7 qualifications required by Section 501.133;

8 (2) does not maintain during service on the committee  
9 the qualifications required by Section 501.133;

10 (3) is ineligible for membership under Section 501.134  
11 or 501.135;

12 (4) cannot, because of illness or disability,  
13 discharge the member's duties for a substantial part of the  
14 member's term; or

15 (5) is absent from more than half of the regularly  
16 scheduled committee meetings that the member is eligible to attend  
17 during a calendar year without an excuse approved by a majority  
18 vote of the committee.

19 (b) The validity of an action of the committee is not  
20 affected by the fact that it is taken when a ground for removal of  
21 a committee member exists.

22 (c) If the managed health care administrator has knowledge  
23 that a potential ground for removal exists, the administrator shall  
24 notify the presiding officer of the committee of the potential  
25 ground. The presiding officer shall then notify the governor and  
26 the attorney general that a potential ground for removal exists.

1 If the potential ground for removal involves the presiding officer,  
2 the managed health care administrator shall notify the next highest  
3 ranking officer of the committee, who shall then notify the  
4 governor and the attorney general that a potential ground for  
5 removal exists.

6 Sec. 501.139. MEETINGS. (a) The committee shall meet at  
7 least once in each quarter of the calendar year and at any other  
8 time at the call of the presiding officer.

9 (b) The committee may hold a meeting by telephone conference  
10 call or other video or broadcast technology.

11 Sec. 501.140. TRAINING. (a) A person who is appointed to  
12 and qualifies for office as a member of the committee may not vote,  
13 deliberate, or be counted as a member in attendance at a meeting of  
14 the committee until the person completes a training program that  
15 complies with this section.

16 (b) The training program must provide the person with  
17 information regarding:

18 (1) the legislation that created the committee;

19 (2) the programs operated by the committee;

20 (3) the role and functions of the committee;

21 (4) the rules of the committee with an emphasis on the  
22 rules that relate to disciplinary and investigatory authority;

23 (5) the current budget for the committee;

24 (6) the results of the most recent formal audit of the  
25 committee;

26 (7) the requirements of:

1           (A) the open meetings law, Chapter 551;

2           (B) the public information law, Chapter 552;

3           (C) the administrative procedure law, Chapter  
4 2001; and

5           (D) other laws relating to public officials,  
6 including conflict-of-interest laws; and

7           (8) any applicable ethics policies adopted by the  
8 committee or the Texas Ethics Commission.

9           (c) A person appointed to the committee is entitled to  
10 reimbursement, as provided by the General Appropriations Act, for  
11 the travel expenses incurred in attending the training program  
12 regardless of whether the attendance at the program occurs before  
13 or after the person qualifies for office.

14           Sec. 501.141. COMPENSATION; REIMBURSEMENT. A committee  
15 member serves without compensation but is entitled to reimbursement  
16 for actual and necessary expenses incurred in the performance of  
17 the duties of the committee.

18           Sec. 501.142. ADMINISTRATION; PERSONNEL. The committee may  
19 hire a managed health care administrator, who may employ personnel  
20 necessary for the administration of the committee's duties. The  
21 committee shall pay necessary costs for its operation, including  
22 costs of hiring the managed health care administrator and other  
23 personnel, from funds appropriated by the legislature to the  
24 department for correctional health care.

25           Sec. 501.143. DIVISION OF RESPONSIBILITIES. The committee  
26 shall develop and implement policies that clearly separate the



1 policy-making responsibilities of the committee and the management  
2 responsibilities of the managed health care administrator and staff  
3 of the committee.

4 Sec. 501.144. QUALIFICATIONS AND STANDARDS OF CONDUCT  
5 INFORMATION. The managed health care administrator or the  
6 administrator's designee shall provide to members of the committee  
7 and to committee employees, as often as necessary, information  
8 regarding the requirements for office or employment under this  
9 subchapter, including information regarding a person's  
10 responsibilities under applicable laws relating to standards of  
11 conduct for state officers or employees.

12 Sec. 501.145. EQUAL EMPLOYMENT OPPORTUNITY POLICY. (a) The  
13 managed health care administrator or the administrator's designee  
14 shall prepare and maintain a written policy statement that  
15 implements a program of equal employment opportunity to ensure that  
16 all personnel decisions are made without regard to race, color,  
17 disability, sex, religion, age, or national origin.

18 (b) The policy statement must include:

19 (1) personnel policies, including policies relating to  
20 recruitment, evaluation, selection, training, and promotion of  
21 personnel, that show the intent of the committee to avoid the  
22 unlawful employment practices described by Chapter 21, Labor Code;  
23 and

24 (2) an analysis of the extent to which the composition  
25 of the committee's personnel is in accordance with state and  
26 federal law and a description of reasonable methods to achieve

1 compliance with state and federal law.

2 (c) The policy statement must:

3 (1) be updated annually;

4 (2) be reviewed by the state Commission on Human  
5 Rights for compliance with Subsection (b)(1); and

6 (3) be filed with the governor's office.

7 Sec. 501.146. MANAGED HEALTH CARE PLAN. (a) The committee  
8 shall develop a managed health care plan for all persons confined  
9 by the department that includes:

10 (1) the establishment of a managed health care  
11 provider network of physicians and hospitals that will serve the  
12 department as the exclusive health care provider for persons  
13 confined in institutions operated by the department;

14 (2) cost containment studies;

15 (3) care case management and utilization management  
16 studies performed for the department; and

17 (4) concerning the establishment of criteria for  
18 hospitals, home health providers, or hospice providers, a provision  
19 requiring the managed health care plan to accept certification by  
20 the Medicare program under Title XVIII, Social Security Act (42  
21 U.S.C. Section 1395 et seq.), and its subsequent amendments, as an  
22 alternative to accreditation by the Joint Commission on  
23 Accreditation of Healthcare Organizations.

24 (b) To implement the managed health care plan, The  
25 University of Texas Medical Branch at Galveston and the Texas Tech  
26 University Health Sciences Center, for employees who are entitled

1 to retain salary and benefits applicable to employees of the Texas  
2 Department of Criminal Justice under Section 9.01, Chapter 238,  
3 Acts of the 73rd Legislature, Regular Session, 1993, may  
4 administer, offer, and report through their payroll systems  
5 participation by those employees in the Texas employees uniform  
6 group insurance benefits program and the Employees Retirement  
7 System of Texas.

8 Sec. 501.147. COMMITTEE AUTHORITY TO CONTRACT. (a) The  
9 committee may enter into a contract on behalf of the department to  
10 fully implement the managed health care plan under this subchapter.

11 (b) The committee may, in addition to providing services to  
12 the department, contract with other governmental entities for  
13 similar health care services and integrate those services into the  
14 managed health care provider network.

15 (c) In contracting for implementation of the managed health  
16 care plan, the committee, to the extent possible, shall integrate  
17 the managed health care provider network with the public medical  
18 schools of this state and the component and affiliated hospitals of  
19 those medical schools.

20 (d) For services that the public medical schools and their  
21 components and affiliates cannot provide, the committee shall  
22 initiate a competitive bidding process for contracts with other  
23 providers for medical care to persons confined by the department.

24 Sec. 501.148. GENERAL POWERS AND DUTIES OF COMMITTEE.

25 (a) The committee shall:

26 (1) develop the contracts for health care services in

1 consultation with the department and the health care providers;

2 (2) determine a capitation rate reflecting the true  
3 cost of correctional health care, including necessary catastrophic  
4 reserves;

5 (3) monitor and develop reports on general quality of  
6 care issues;

7 (4) act as an independent third party in the  
8 allocation of money to inmate health care providers;

9 (5) act as an independent third party for the purpose  
10 of dispute resolution in the event of a disagreement between the  
11 department and the health care providers; and

12 (6) enforce compliance with contract provisions,  
13 including requiring corrective action if care does not meet  
14 expectations as determined by quality of care monitoring  
15 activities.

16 (b) The committee shall evaluate and recommend to the board  
17 sites for new medical facilities that appropriately support the  
18 managed health care provider network.

19 (c) The committee may contract with an individual for  
20 financial consulting services and may make use of financial  
21 monitoring of the managed health care plan to assist the committee  
22 in determining an accurate capitation rate.

23 (d) The committee may contract with an individual for  
24 actuarial consulting services to assist the committee in  
25 determining trends in the health of the inmate population and the  
26 impact of those trends on future financial needs.

1           Sec. 501.149. REVIEW OF RURAL HOSPITAL CONTRACTS; REPORT.

2           (a) The committee, in conjunction with The University of Texas  
3           Medical Branch at Galveston, the Texas Tech Health Sciences Center,  
4           and the department, shall review the use of rural hospital  
5           contracts for medical care to persons confined by the department.  
6           The review shall include an analysis of inmate transportation  
7           costs, including transportation-related security costs, and health  
8           care costs. The review may include recommendations for improving  
9           the use of contracts with rural hospitals to implement the managed  
10           health care plan.

11           (b) The committee shall report to the 77th Legislature  
12           regarding its findings and any recommendations.

13           (c) This section expires September 1, 2001.

14           Sec. 501.150. QUALITY OF CARE MONITORING BY THE DEPARTMENT  
15           AND HEALTH CARE PROVIDERS. (a) The committee shall establish a  
16           procedure for monitoring the quality of care delivered by the  
17           health care providers. Under the procedure, the department's  
18           monitoring activities must be limited to investigating medical  
19           grievances, ensuring access to medical care, and conducting  
20           periodic operational reviews of medical care provided at its units.

21           (b) The department and the medical care providers shall  
22           cooperate in monitoring quality of care. The clinical and  
23           professional resources of the health care providers shall be used  
24           to the greatest extent feasible for clinical oversight of quality  
25           of care issues.

26           (c) The department and the medical care providers shall

1 communicate the results of their monitoring activities to the  
2 committee.

3 Sec. 501.151. COMPLAINTS. (a) The committee shall maintain  
4 a file on each written complaint filed with the committee. The  
5 file must include:

6 (1) the name of the person who filed the complaint;

7 (2) the date the complaint is received by the  
8 committee;

9 (3) the subject matter of the complaint;

10 (4) the name of each person contacted in relation to  
11 the complaint;

12 (5) a summary of the results of the review or  
13 investigation of the complaint; and

14 (6) an explanation of the reason the file was closed,  
15 if the committee closed the file without taking action other than  
16 to investigate the complaint.

7 (b) The committee shall provide to the person filing the  
8 complaint and to each person who is a subject of the complaint a  
9 copy of the committee's policies and procedures relating to  
10 complaint investigation and resolution.

11 (c) The committee, at least quarterly until final  
12 disposition of the complaint, shall notify the person filing the  
13 complaint and each person who is a subject of the complaint of the  
14 status of the investigation unless the notice would jeopardize an  
15 undercover investigation.

16 Sec. 501.152. PUBLIC PARTICIPATION. The committee shall

1 develop and implement policies that provide the public with a  
2 reasonable opportunity to appear before the committee and to speak  
3 on any issue under the jurisdiction of the committee.

4 SECTION 2. Section 501.059, Government Code, is repealed.

5 SECTION 3. The name of the Correctional Managed Health Care  
6 Advisory Committee is changed to the Correctional Managed Health  
7 Care Committee. The change in the name of the Correctional Managed  
8 Health Care Advisory Committee does not affect the validity of any  
9 action taken by the committee before, on, or after the effective  
10 date of this Act. A reference in law to the Correctional Managed  
11 Health Care Advisory Committee means the Correctional Managed  
12 Health Care Committee.

13 SECTION 4. The governor shall make initial gubernatorial  
14 appointments to the Correctional Managed Health Care Committee to  
15 accomplish the membership required by Section 501.133, Government  
16 Code, as added by this Act, not later than January 1, 2000, and  
17 shall designate one member for a term expiring January 31, 2001,  
18 one member for a term expiring January 31, 2003, and one member for  
19 a term expiring January 31, 2005.

20 SECTION 5. The Correctional Managed Health Care Committee,  
21 in conjunction with The University of Texas Medical Branch at  
22 Galveston, the Texas Tech Health Sciences Center, and the Texas  
23 Department of Criminal Justice, shall begin the review required by  
24 Section 501.149, Government Code, as added by this Act, not later  
25 than January 1, 2000.

26 SECTION 6. This Act takes effect September 1, 1999.

S.B. No. 371

1           SECTION 7. The importance of this legislation and the  
2 crowded condition of the calendars in both houses create an  
3 emergency and an imperative public necessity that the  
4 constitutional rule requiring bills to be read on three several  
5 days in each house be suspended, and this rule is hereby suspended.



\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 371 passed the Senate on April 16, 1999, by a viva-voce vote; May 18, 1999, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 20, 1999, House granted request of the Senate; May 30, 1999, Senate adopted Conference Committee Report by a viva-voce vote.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 371 passed the House, with amendments, on May 14, 1999, by a non-record vote; May 20, 1999, House granted request of the Senate for appointment of Conference Committee; May 29, 1999, House adopted Conference Committee Report by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved: .

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 76th Regular Session**

May 28, 1999

**TO:** Honorable Rick Perry, Lieutenant Governor  
Honorable James E. "Pete" Laney, Speaker of the House

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** SB371 by Brown, J. E. "Buster" (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee.), Conference Committee Report

No significant fiscal implication to the State is anticipated.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 696 Department of Criminal Justice  
**LBB Staff:** JK, MD, JN

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 76th Regular Session**

April 4, 1999

**TO:** Honorable Ken Armbrister, Chair, Senate Committee on Criminal Justice

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** SB371 by Brown, J. E. "Buster" (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 501, Government Code, to continue the Correctional Managed Health Care Committee for six years, and to set the date for the next Sunset review as September 1, 2005.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source** 116 Sunset Advisory Commission, 696 Department of Criminal  
**Agencies:** Justice  
**LBB Staff:** JK, MD, JN

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 76th Regular Session**  
Revision 1

March 30, 1999

**TO:** Honorable Ken Armbrister, Chair, Senate Committee on Criminal Justice

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** SB371 by Brown, J. E. "Buster" (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee.), As Introduced

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 501, Government Code, to continue the Correctional Managed Health Care Committee for six years, and to set the date for the next Sunset review as September 1, 2005.

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
	\$

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 696 Department of Criminal Justice  
**LBB Staff:** JK, MD, JN

**LEGISLATIVE BUDGET BOARD**  
**Criminal Justice Policy Impact Statement**

April 30, 1999

**TO:** Honorable Pat Haggerty, Chair  
Committee on Corrections  
House  
Austin, Texas

**IN RE:** Senate Bill No. 371,  
Committee Report 2nd House, as  
amended  
By: Brown, J. E. "Buster"

**FROM:** John Keel, Director

In response to your request for a Criminal Justice Policy Impact Statement on SB371 (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee. ) this office has determined the following:

No significant impact on the programs and workload of state corrections agencies or on the demand for resources and services of those agencies is anticipated from any provisions of this bill that authorize or require a change in the sanctions applicable to adults convicted of felony crimes.

LEGISLATIVE BUDGET BOARD  
Criminal Justice Policy Impact Statement

April 22, 1999

TO: Honorable Pat Haggerty, Chair  
Committee on Corrections  
House  
Austin, Texas

IN RE: Senate Bill No. 371, As  
Engrossed  
By: Brown, J. E. "Buster"

FROM: John Keel, Director

In response to your request for a Criminal Justice Policy Impact Statement on SB371 (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee. ) this office has determined the following:

No significant impact on the programs and workload of state corrections agencies or on the demand for resources and services of those agencies is anticipated from any provisions of this bill that authorize or require a change in the sanctions applicable to adults convicted of felony crimes.

LEGISLATIVE BUDGET BOARD

Criminal Justice Policy Impact Statement

April 5, 1999

TO: Honorable Ken Armbrister, Chair  
Committee on Criminal Justice  
Senate  
Austin, Texas

IN RE: Senate Bill No. 371,  
Committee Report 1st House,  
Substituted

By: Brown, J. E.  
"Buster"

FROM: John Keel, Director

In response to your request for a Criminal Justice Policy Impact Statement on SB371 ( Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee.) this office has determined the following:

No significant impact on the programs and workload of state corrections agencies or on the demand for resources and services of those agencies is anticipated from any provisions of this bill that authorize or require a change in the sanctions applicable to adults convicted of felony crimes.

**LEGISLATIVE BUDGET BOARD**

**Criminal Justice Policy Impact Statement**

**March 30, 1999**

**TO: Honorable Ken Armbrister, Chair  
Committee on Criminal Justice  
Senate  
Austin, Texas**

**IN RE: Senate Bill No. 371  
By: Brown, J. E. "Buster"**

**FROM: John Keel, Director**

**In response to your request for a Criminal Justice Policy Impact Statement on SB371 (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee. ) this office has determined the following:**

**No significant impact on the programs and workload of state corrections agencies or on the demand for resources and services of those agencies is anticipated from any provisions of this bill that authorize or require a change in the sanctions applicable to adults convicted of felony crimes.**



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

April 30, 1999

**TO:** Honorable Pat Haggerty, Chair, House Committee on Corrections

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** SB371 by Brown, J. E. "Buster" (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee.), **Committee Report 2nd House, as amended**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 501, Government Code, to continue the Correctional Managed Health Care Committee for six years, and to set the date for the next Sunset review as September 1, 2005.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 696 Department of Criminal Justice  
**LBB Staff:** JK, MD, JN

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

April 24, 1999

**TO:** Honorable Pat Haggerty, Chair, House Committee on Corrections

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** SB371 by Brown, J. E. "Buster" (Relating to the continuation and functions of the Correctional Managed Health Care Advisory Committee.), As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 501, Government Code, to continue the Correctional Managed Health Care Committee for six years, and to set the date for the next Sunset review as September 1, 2005.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 696 Department of Criminal Justice  
**LBB Staff:** JK, MD, JN

**TEXAS DEPARTMENT OF CRIMINAL JUSTICE**

**IMPLEMENTATION PLAN FOR LEGISLATION PASSED BY THE 76TH LEGISLATURE**

<b>BILL NUMBER:</b>	<b>SB 371</b>	<b>BILL AUTHOR/SPONSOR:</b>	Brown / Gray
<b>STATUTORY CITATION:</b>	Secs. 501.059, 501.131 – 501.152 Government Code		
<b>SUBJECT:</b>	Correctional Managed Health Care Sunset Provisions		
<b>IMPLEMENTATION RESPONSIBILITY:</b>	Correctional Managed Health Care Committee		
<b>EFFECTIVE DATE:</b>	September 1, 1999		

<b>BILL SUMMARY:</b>	<p>This bill reauthorizes the continuation of the Correctional Managed Health Care Advisory Committee (CMHCAC) until September 1, 2005. It also changes the name to Correctional Managed Health Care Committee (CMHCC). The bill further expands committee membership from six to nine members including three public members appointed by the governor, at least two of whom must be physicians. It also clarifies authority and responsibility of the CMHCC. Requires the CMHCC to develop a managed Health care plan for all persons confined by TDCJ. Significant portions of the plan are: a network of physicians and hospitals that serves as the exclusive health care providers for persons confined in facilities operated by the department; cost containment studies; case management and utilization management studies; and criteria for hospitals, home health or hospice providers that accept certification by the Medicare program as an alternative to accreditation by the Joint Commission on Accreditation of Health Organizations. Allows the committee to enter into contracts on behalf of TDCJ to implement the managed health care plan. Requires competitive bidding for health care services that the public medical schools cannot provide. Requires the CMHCC to determine a capitation rate reflecting the "true cost of correctional health care, including necessary catastrophic reserves." Requires the CMHCC to monitor quality of care; act as an independent third party in disputes between TDCJ and health care providers; enforce compliance with contract provisions; make recommendations on sites for new medical facilities; and contract with individuals for financial actuarial consulting services. Directs TDCJ to monitor the quality of care delivered by health care providers; investigate grievances; ensure access to medical care; and conduct periodic operational reviews. Requires that the clinical and professional resources of the health care providers be used to the "greatest extent feasible" for clinical oversight of quality of care issues. The bill also establishes training criteria on laws governing open meetings, public information, ethics and other topics. It also requires the committee to study how rural hospitals might be used to reduce health care and transportation costs.</p>
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<b>STEPS</b>	<b>PERSON(S) RESPONSIBLE</b>	<b>TARGET DATE</b>	<b>DATE COMPLETED</b>
Provide Current CMHCC Members with Training Material	CMHCC Staff	09/15/1999	09/15/1999
Develop and Schedule Training for Newly Appointed Members	CMHCC	Within 10 Days of Appointment	05/16/2000

<b>(SB 371 Continued)</b>			
Develop and Adopt Across the Board Policies	CMHCC	12/01/1999	12/01/1999
Adopt Procedures for Monitoring Quality of Care	CMHCC	12/31/2000	02/24/2000 and Ongoing*
Adopt Procedures for Responding to Complaints	CMHCC	12/01/1999	12/01/1999
Appointment by Governor & Designee of a CMHCC Physician as Chair	Governor	01/01/2000	03/27/2000
Conduct Actuarial Review of Capitation Rate and Trends in Health Care Impacting Future	CMHCC Staff	12/31/2000	Ongoing
Conduct Review of Use of Rural Hospital Contracts	CMHCC Staff	12/31/2000	Ongoing

***\*Monitoring program changes are currently being phased in incremental fashion. New UTMB Operational Performance Evaluation System (OPES) initiated 09/01/1999; New system-wide Quality Improvement/Quality Management Plan implemented 12/01/1999; New grievance/patient liaison processing procedures approved 02/24/2000; TDCJ Health Services Quarterly Reporting Summaries initiated 09/01/1999. Monitoring program refinements continue on an on-going basis.***