

SUBJECT: Correctional managed health care plan

COMMITTEE: Corrections — committee substitute recommended

VOTE: 8 ayes — Hightower, Gray, Allen, Culberson, Farrar, Longoria, Pitts,
Telford

0 nays

1 absent — Serna

WITNESSES: For — None

Against — None

On — James A. Lynaugh, Managed Health Care Advisory Committee.

BACKGROUND: The Managed Health Care Advisory Committee was created to develop a managed health care plan for inmates confined by the Texas Department of Criminal Justice (TDCJ). The plan includes a managed care network of doctors and hospitals who serve as the exclusive health care provider. The committee is composed of two representatives from the University of Texas Medical Branch at Galveston, two from the Texas Tech University Health Sciences Center and two from TDCJ.

DIGEST: CSHB 1567 would change the name of the committee to the Correctional Managed Health Care Committee, require that it meet each quarter and at the call of the chair, and allow the committee to meet by telephone conference, video or other broadcast technology.

The committee would be required to develop a managed health care plan for all persons confined by the TDCJ and recommend sites for new TDCJ medical facilities. The committee could contract with TDCJ and other governmental entities for health care services and integrate services into the network.

To implement the managed care plan, the bill would authorize The University of Texas Medical Branch at Galveston and Texas Tech University Health Science Center to administer, offer and report through their payroll systems participation by eligible TDCJ employees in the Texas

employees uniform group insurance benefits program and the Employees Retirement System (ERS).

The bill would take immediate effect if approved by two thirds of the membership of each house.

**SUPPORTERS
SAY:**

CSHB 1567 is needed to clarify existing law and make necessary changes to the Managed Health Care Advisory Committee. Adding "Correctional" to the committee's name would better reflect its mission. The bill would clarify that all persons confined by the TDCJ, and not just those in the Institutional Division, could participate. The committee would be authorized to provide services to those in state jail and transfer and substance abuse facilities.

Allowing the committee to contract with other governmental entities, such as the Texas Youth Commission or local county governments, would broaden use of cost containment strategies employed by the committee.

The University of Texas Medical Branch at Galveston and Texas Tech University Health Sciences Center need the authority to administer benefits offered by the TDCJ. Employees of TDCJ affected by the transition to the university-based managed care system are authorized to retain their TDCJ benefits. Due to restrictions under the Employee Retirement Systems (ERS) and the Teacher Retirement Systems (TRS), the universities have not been able to offer ERS benefits to employees on their payroll. ERS offers supplemental retirement benefits for employees who receive hazardous duty pay. This supplement provides additional benefits that cannot be matched by TRS. Furthermore, the universities are not able to offer ERS insurance programs. These restrictions have blocked a complete transition for some 1,500 employees and require duplication and burdensome reporting.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute gives Texas Tech Health Sciences Center the authority to administer, offer and report benefits offered by TDCJ.