

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1394
By: Fraser
Health & Human Services
4/8/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Recently, the Rural Community Health System (RCHS) developed, in coordination with private sector program partners, an approach to address the economic development needs of rural communities by securing a viable health care system. Using collaboration between major insurers, re-insurers, and rural communities to share in the decision-making process, the RCHS program offers a strategic solution that will enable the state to achieve budget certainty for its Medicaid program while increasing rural community access to insured program alternatives for underinsured and uninsured citizens. C.S.S.B. 1394 makes the technical revisions to Chapter 20C, Insurance Code, needed in order for RCHS to implement this model.

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 Section 1(a), Chapter 757, Acts of the 76th Legislature, Regular Session, 1999, as follows:

GOALS OF SYSTEM. Provides that the statewide rural health care system (system) established under Chapter 20C, Insurance Code, is designed to protect and enhance the rural health care delivery system by performing certain actions, rather than to incorporate certain consumer-oriented attributes. Provides that these actions include, among other things, preservation of the provider-patient relationship, rather than physician-patient relationship, and an emphasis on disease management, rather than an emphasis on quality improvement including obtaining accreditation.

SECTION 2. Amends Article 20C.02, Insurance Code, to redefine “enrollee” and “person.” Defines “health care provider.” Deletes existing text related to certain standards imposed by the commissioner of insurance (commissioner). Makes conforming changes.

SECTION 3. Amends Article 20C.03, Insurance Code, to provide that the system is established to sponsor, arrange for, or provide health care services for programs in rural areas that are not subject to certain laws.

SECTION 4. Amends Article 20C.04(b), Insurance Code, to provide that the system is authorized to sponsor, provide, or arrange for the provision of health care services for enrollees as described in Article 20C.03. Deletes existing text related to an exception to a part of this article. Requires the system, if the system seeks to sponsor, arrange, or provide health care services to enrollees in exchange for a predetermined payment per enrollee on a prepaid basis, to comply with certain requirements. Deletes existing text relating to the system obtaining a certificate of authority and certain conditions arising from the system seeking a certificate.

SECTION 5. Amends Articles 20C.06(b)-(d), Insurance Code, to require the participating providers

to appoint six directors in the manner provided by Article 20C.10 of this code. Requires six directors to be appointed in accordance with the system's bylaws from persons residing in the territorial jurisdictions of the participating providers, including two persons to represent certain groups. Makes conforming changes.

SECTION 6. Amends Article 20C.08(d), Insurance Code, to authorize the board of directors of the system, on a majority vote, to contract for management or support services, contract with, rather than hire, consultants, attorneys and other professional, and retain, rather than hire, other staff as necessary to implement the duties of the system.

SECTION 7. Amends Article 20C.14(a), Insurance Code, to authorize the commissioner of health and human services, notwithstanding any other law, to include the system in any voluntary pilot or demonstration program that evaluates the use of an insured model for beneficiaries of medical assistance program in a rural area that is not currently included in an existing Medicaid managed care pilot program area, that incorporates the principles of prevention and disease management, and studies the use of promotoras as defined by Section 46.001, Health and Safety Code, as added by Chapter 857, Acts of the 76th Legislature, Regular Session, 1999.

SECTION 8. Repealer: Articles 20C.04(c) and (d), Insurance Code.

SECTION 9. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from the original as follows:

SECTION 1. Conforms proposed text to legislative drafting standards.

SECTION 2. Maintains existing definition of "health care services." Defines "health care provider." Redefines "person." Makes conforming changes.

SECTION 3. Provide that the rural health care system (system) is established to sponsor, arrange for, or provide health care services for programs in rural areas that are not subject to certain laws.

SECTION 4. Requires the system, if the system seeks to sponsor, arrange, or provide health care services to enrollees in exchange for a predetermined payment per enrollee on a prepaid basis, to comply with certain requirements.

SECTION 5. Maintains existing text relating to the appointment of directors by participating providers. Adds wording to proposed text relating to the manner of appointment of certain directors. Makes conforming changes.

SECTION 6. Conforms proposed text to legislative drafting standards.

SECTION 7. Conforms proposed text to legislative drafting standards.

SECTION 8. Repeals Articles 20C.04(c) and (d), Insurance Code.

SECTION 9. Provides that this Act takes effect September 1, 2001, rather than 90 days after adjournment.