

BILL ANALYSIS

Senate Research Center
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S.B. 1760
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Health & Human Services
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Texas funds and manages nine mental health state hospitals. In the last few years, numerous reports have documented problems with the state's mental health system. Recently, the chief administrator of the Austin State Hospital admitted that over 250 assaults occurred last year alone. Some of these assaults have resulted in the deaths of individuals who are court committed to state facilities for psychiatric care.

It is further reported that uses of seclusion and restraint have resulted in numerous lawsuits and deaths, and that seclusion and restraint, including medical restraints, are common and used daily at every state hospital. All nine state hospitals are decades old and require extreme physical plant repairs.

H.B. 2292, 78th Legislature, Regular Session, 2003, allowed for a contract with a private service provider to operate a state mental hospital provided that the provider met certain cost-saving goals.

As proposed, S.B. 1760 amends the Health and Safety Code to allow for a more realistic cost-saving benchmark while laying out specific requirements for an elevated standard of client care and strict standards for providers. If at any time the contract terms or the cost saving benchmarks are not met, the Department of State Health Services may cancel the contract.

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 533.050, Health and Safety Code, as follows:

Sec. 533.050. PRIVATIZATION OF STATE MENTAL HOSPITAL; CONSTRUCTION AND OPERATION OF REPLACEMENT FACILITY. (a) Authorizes the Department of State Health Services (DSHS) to contract with a private service provider to operate a state mental hospital only if certain conditions apply. Deletes existing text relating to a timeline of a contract with a private service provider.

(b) Requires DSHS to report to the executive commissioner of the Health and Human Services Commission regarding whether DSHS has received a proposal by a private service provider to operate a state mental hospital. Deletes existing text relating to the deadline of the report. Makes a nonsubstantive change.

(c) Requires a contract entered into under Subsection (a) to address certain matters.

(d) Requires DSHS to monitor care of patients at a state hospital operated by contract. Requires DSHS to develop and maintain information on activities carried out under the contract without violating privacy or confidentiality rules. Sets forth requirements for the information developed under this subsection.

(e) Prohibits DSHS from entering into a contract under this section with a private service provider unless the provider has a documented and verified successful record of providing mental health services over a five-year period and managing a mental health facility with a population of at least 250 patients.

(f) Redesignated from existing Subsection (c). Makes a conforming change.

(g) Authorizes DSHS to renew a contract under this section. Provides that the conditions provided by this section, rather than listed in Subsections (a)(1)-(3) apply to the renewal of the contract. Redesignated from existing Subsection (d).

(h) Requires DSHS to enter into an agreement with a private entity to finance, design, build, and operate a new facility to replace one or more state hospitals. Authorizes the agreement to be for a term not to exceed 20 years. Requires the agreement to provide for DSHS to acquire the facility under a lease-purchase agreement with a term not to exceed 20 years and authorize the private entity to issue certificates of participation or other appropriate securities to finance the construction of the facility. Requires that the portions of the agreement that govern the provision of services meet the requirements for a contract entered into under Subsection (a).

(i) Requires DSHS and each private entity that contracts with it under this section to provide to the legislature a report on the progress of activities under the contract and performance of services under the contract. Requires the report to be provided to the legislature not later than November 1 of each even-numbered year.

SECTION 2. Requires DSHS to issue a request for proposals for a private service provider to contract with it to operate a state hospital not later than October 14, 2005.

SECTION 3. Effective date: September 1, 2005.