

## 1 AN ACT

2 relating to disease management services under certain state-funded  
3 or state-administered health plans.

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

5 SECTION 1. Subchapter D, Chapter 62, Health and Safety  
6 Code, is amended by adding Section 62.159 to read as follows:

7 Sec. 62.159. DISEASE MANAGEMENT SERVICES. (a) In this  
8 section, "disease management services" means services to assist a  
9 child manage a disease or other chronic health condition, such as  
10 heart disease, diabetes, respiratory illness, end-stage renal  
11 disease, HIV infection, or AIDS, and with respect to which the  
12 commission identifies populations for which disease management  
13 would be cost-effective.

14 (b) The child health plan must provide disease management  
15 services or coverage for disease management services in the manner  
16 required by the commission, including:

17 (1) patient self-management education;

18 (2) provider education;

19 (3) evidence-based models and minimum standards of  
20 care;

21 (4) standardized protocols and participation  
22 criteria; and

23 (5) physician-directed or physician-supervised care.

24 (c) The commission shall conduct a study that evaluates the

1 savings to the state as a result of implementation of the  
2 comprehensive disease management programs described by Subsections  
3 (a) and (b). The commission shall evaluate the clinical outcomes of  
4 children enrolled in a disease management program. The commission  
5 shall report the progress of the study to the governor, lieutenant  
6 governor, and speaker of the house of representatives not later  
7 than December 1, 2004, and the final results of the study not later  
8 than December 1, 2005.

9 (d) The commission may conduct the study under Subsection  
10 (c) in conjunction with an academic center.

11 (e) Subsections (c) and (d) and this subsection expire  
12 January 1, 2006.

13 SECTION 2. Subchapter E, Chapter 3, Insurance Code, is  
14 amended by adding Article 3.50-7B to read as follows:

15 Art. 3.50-7B. DISEASE MANAGEMENT SERVICES. (a) In this  
16 article, "disease management services" means services to assist an  
17 individual manage a disease or other chronic health condition, such  
18 as heart disease, diabetes, respiratory illness, end-stage renal  
19 disease, HIV infection, or AIDS, and with respect to which the  
20 Teacher Retirement System of Texas identifies populations  
21 requiring disease management.

22 (b) A health coverage plan provided under Article 3.50-7 of  
23 this code must provide disease management services or coverage for  
24 disease management services in the manner required by the Teacher  
25 Retirement System of Texas, including:

26 (1) patient self-management education;

27 (2) provider education;

1           (3) evidence-based models and minimum standards of  
2 care;

3           (4) standardized protocols and participation  
4 criteria; and

5           (5) physician-directed or physician-supervised care.

6           (c) The Teacher Retirement System of Texas shall conduct a  
7 study that evaluates the savings to the state as a result of  
8 implementation of the comprehensive disease management programs  
9 described by Subsections (a) and (b). The commission shall  
10 evaluate the clinical outcomes of participants enrolled in a  
11 disease management program. The system shall report the progress  
12 of the study to the governor, lieutenant governor, and speaker of  
13 the house of representatives not later than December 1, 2004, and  
14 the final results of the study not later than December 1, 2005.

15           (d) The Teacher Retirement System of Texas may conduct the  
16 study under Subsection (c) of this article in conjunction with an  
17 academic center.

18           (e) Subsections (c) and (d) of this article and this  
19 subsection expire January 1, 2006.

20           SECTION 3. Subchapter E, Chapter 1551, Insurance Code, as  
21 effective June 1, 2003, is amended by adding Section 1551.219 to  
22 read as follows:

23           Sec. 1551.219. DISEASE MANAGEMENT SERVICES. (a) In this  
24 section, "disease management services" means services to assist an  
25 individual manage a disease or other chronic health condition, such  
26 as heart disease, diabetes, respiratory illness, end-stage renal  
27 disease, HIV infection, or AIDS, and with respect to which the board

1 of trustees identifies populations requiring disease management.

2 (b) A group health benefit plan offered under the group  
3 benefits program must provide disease management services or  
4 coverage for disease management services in the manner required by  
5 the board of trustees, including:

6 (1) patient self-management education;

7 (2) provider education;

8 (3) evidence-based models and minimum standards of  
9 care;

10 (4) standardized protocols and participation  
11 criteria; and

12 (5) physician-directed or physician-supervised care.

13 (c) The board of trustees shall conduct a study that  
14 evaluates the savings to the state as a result of implementation of  
15 the comprehensive disease management programs described by  
16 Subsections (a) and (b). The board of trustees shall evaluate the  
17 clinical outcomes of participants enrolled in a disease management  
18 program. The board of trustees shall report the progress of the  
19 study to the governor, lieutenant governor, and speaker of the  
20 house of representatives not later than December 1, 2004, and the  
21 final results of the study not later than December 1, 2005.

22 (d) The board of trustees may conduct the study under  
23 Subsection (c) in conjunction with an academic center.

24 (e) Subsections (c) and (d) and this subsection expire  
25 January 1, 2006.

26 SECTION 4. Subchapter D, Chapter 1575, Insurance Code, as  
27 effective June 1, 2003, is amended by adding Section 1575.162 to

1 read as follows:

2 Sec. 1575.162. DISEASE MANAGEMENT SERVICES. (a) In this  
3 section, "disease management services" means services to assist an  
4 individual manage a disease or other chronic health condition, such  
5 as heart disease, diabetes, respiratory illness, end-stage renal  
6 disease, HIV infection, or AIDS, and with respect to which the  
7 Teacher Retirement System of Texas identifies populations  
8 requiring disease management.

9 (b) A health benefit plan provided under this chapter must  
10 provide disease management services or coverage for disease  
11 management services in the manner required by the Teacher  
12 Retirement System of Texas, including:

- 13 (1) patient self-management education;  
14 (2) provider education;  
15 (3) evidence-based models and minimum standards of  
16 care;  
17 (4) standardized protocols and participation  
18 criteria; and  
19 (5) physician-directed or physician-supervised care.

20 (c) The Teacher Retirement System of Texas shall conduct a  
21 study that evaluates the savings to the state as a result of  
22 implementation of the comprehensive disease management programs  
23 described by Subsections (a) and (b). The Teacher Retirement  
24 System of Texas shall evaluate the clinical outcomes of  
25 participants enrolled in a disease management program. The Teacher  
26 Retirement System of Texas shall report the progress of the study to  
27 the governor, lieutenant governor, and speaker of the house of

1 representatives not later than December 1, 2004, and the final  
2 results of the study not later than December 1, 2005.

3 (d) The Teacher Retirement System of Texas may conduct the  
4 study under Subsection (c) in conjunction with an academic center.

5 (e) Subsections (c) and (d) and this subsection expire  
6 January 1, 2006.

7 SECTION 5. Subchapter C, Chapter 1601, Insurance Code, as  
8 effective June 1, 2003, is amended by adding Section 1601.110 to  
9 read as follows:

10 Sec. 1601.110. DISEASE MANAGEMENT SERVICES. (a) In this  
11 section, "disease management services" means services to assist an  
12 individual manage a disease or other chronic health condition, such  
13 as heart disease, diabetes, respiratory illness, end-stage renal  
14 disease, HIV infection, or AIDS, and with respect to which the  
15 governing board of a system identifies populations requiring  
16 disease management.

17 (b) A health benefit plan provided under this chapter must  
18 provide disease management services or coverage for disease  
19 management services in the manner required by the governing board  
20 of a system, including:

21 (1) patient self-management education;

22 (2) provider education;

23 (3) evidence-based models and minimum standards of  
24 care;

25 (4) standardized protocols and participation  
26 criteria; and

27 (5) physician-directed or physician-supervised care.

1        (c) The governing board of each system shall conduct a study  
2 that evaluates the savings to the state as a result of  
3 implementation of comprehensive disease management programs as  
4 described by Subsections (a) and (b). The governing board of a  
5 system shall evaluate the clinical outcomes of participants  
6 enrolled in a disease management program. The governing board of a  
7 system shall report the progress of the study to the governor,  
8 lieutenant governor, and speaker of the house of representatives  
9 not later than December 1, 2004, and the final results of the study  
10 not later than December 1, 2005.

11        (d) The governing board of a system may conduct the study  
12 under Subsection (c) in conjunction with an academic center.

13        (e) Subsections (c) and (d) and this subsection expire  
14 January 1, 2006.

15        SECTION 6. Subchapter E, Chapter 501, Government Code, is  
16 amended by adding Section 501.149 to read as follows:

17        Sec. 501.149. DISEASE MANAGEMENT SERVICES. (a) In this  
18 section, "disease management services" means services to assist an  
19 individual manage a disease or other chronic health condition, such  
20 as heart disease, diabetes, respiratory illness, end-stage renal  
21 disease, HIV infection, or AIDS, and with respect to which the  
22 committee identifies populations requiring disease management.

23        (b) A managed health care plan provided under this chapter  
24 must provide disease management services in the manner required by  
25 the committee, including:

26            (1) patient self-management education;

27            (2) provider education;

1           (3) evidence-based models and minimum standards of  
2 care;

3           (4) standardized protocols and participation  
4 criteria; and

5           (5) physician-directed or physician-supervised care.

6           (c) The committee shall conduct a study that evaluates the  
7 savings to the state as a result of implementation of comprehensive  
8 disease management programs described by Subsections (a) and (b).  
9 The committee shall evaluate the clinical outcomes of participants  
10 enrolled in a disease management program. The committee shall  
11 report the progress of the study to the governor, lieutenant  
12 governor, and speaker of the house of representatives not later  
13 than December 1, 2004, and the final results of the study not later  
14 than December 1, 2005.

15           (d) The committee may conduct the study under Subsection (c)  
16 in conjunction with an academic center.

17           (e) Subsections (c) and (d) and this subsection expire  
18 January 1, 2006.

19           SECTION 7. Section 533.009, Government Code, is amended to  
20 read as follows:

21           Sec. 533.009. SPECIAL DISEASE MANAGEMENT. (a) The  
22 commission shall ensure that managed care organizations under  
23 contract with the commission to provide health care services to  
24 recipients develop and implement special disease management  
25 programs to manage a disease or other [~~address~~] chronic health  
26 conditions, such as heart disease, respiratory illness, including  
27 asthma, [~~and~~] diabetes, end-stage renal disease, HIV infection, or



1 AIDS, and with respect to which the commission identifies  
2 populations for which disease management would be cost-effective  
3 ~~[and use outcome measures to assess the programs].~~

4 (b) A managed health care plan provided under this chapter  
5 must provide disease management services in the manner required by  
6 the commission, including:

7 (1) patient self-management education;

8 (2) provider education;

9 (3) evidence-based models and minimum standards of  
10 care;

11 (4) standardized protocols and participation  
12 criteria; and

13 (5) physician-directed or physician-supervised care.

14 (c) The commission shall conduct a study that evaluates the  
15 savings to the state as a result of implementation of comprehensive  
16 disease management programs described by Subsections (a) and (b).  
17 The commission shall evaluate the clinical outcomes of participants  
18 enrolled in a disease management program. The commission shall  
19 report the progress of the study to the governor, lieutenant  
20 governor, and speaker of the house of representatives not later  
21 than December 1, 2004, and the final results of the study not later  
22 than December 1, 2005~~[study the benefits and costs of applying~~  
23 ~~disease management principles in the delivery of Medicaid managed~~  
24 ~~care services to recipients with chronic health conditions. In~~  
25 ~~conducting the study, the commission shall evaluate the~~  
26 ~~effectiveness of these principles in:~~

27 ~~[(1) reducing long-term health care costs under the~~

1 ~~Medicaid managed care program,~~

2 ~~[(2) improving patient care, including the~~  
3 ~~coordination of that care, and~~

4 ~~[(3) improving utilization patterns of recipients].~~

5 (d) ~~[(e)]~~ The commission may conduct the study under  
6 Subsection (c) ~~[(b)]~~ in conjunction with an academic center.

7 (e) Subsections (c) and (d) and this subsection expire  
8 January 1, 2006.

9 SECTION 8. The state child health plan, each health  
10 coverage plan provided under Article 3.50-7, Insurance Code, each  
11 health benefit plan provided under Chapter 1551, 1575, or 1601,  
12 Insurance Code, the managed health care plan provided under  
13 Subchapter E, Chapter 501, Government Code, and a Medicaid managed  
14 care plan subject to Chapter 533, Government Code, shall provide  
15 disease management services or coverage for disease management  
16 services in accordance with this Act as soon as practicable after  
17 the effective date of this Act, but not later than January 1, 2004.

18 SECTION 9. This Act takes effect immediately if it receives  
19 a vote of two-thirds of all the members elected to each house, as  
20 provided by Section 39, Article III, Texas Constitution. If this  
21 Act does not receive the vote necessary for immediate effect, this  
22 Act takes effect September 1, 2003.

David Newkirk

President of the Senate

Jim Caddick

Speaker of the House

I certify that H.B. No. 1735 was passed by the House on April 2, 2003, by the following vote: Yeas 141, Nays 0, 1 present, not voting.

Robert Haney  
Chief Clerk of the House

I certify that H.B. No. 1735 was passed by the Senate on May 20, 2003, by the following vote: Yeas 31, Nays 0.

Ratsy Gail  
Secretary of the Senate

APPROVED: 20 JUN 103

Date

RICK PERRY  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 PM O'CLOCK

Ann Shea  
Secretary of State