

By: Nelson

S.B. No. 1330

A BILL TO BE ENTITLED

1 AN ACT

2 relating to state policy relating to financing of certain health
3 and human services programs.

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

5 SECTION 1. Section 531.001, Government Code, is amended by
6 adding Subdivision (1-a) to read as follows:

7 (1-a) "Child health plan program" means the child health
8 plan program established under Chapter 62, Health and Safety Code.

9 SECTION 2. Subchapter B, Chapter 531, Government Code, is
10 amended by adding Section 531.0392 to read as follows:

11 Sec. 531.0392. RECOVERY OF CERTAIN THIRD-PARTY
12 REIMBURSEMENTS UNDER MEDICAID. (a) In this section, "dually
13 eligible individual" means an individual who is eligible to receive
14 health care benefits under both the Medicaid and Medicare programs.

15 (b) The commission shall obtain Medicaid reimbursement from
16 each fiscal intermediary who makes a payment to a service provider
17 on behalf of the Medicare program, including a reimbursement for a
18 payment made to a home health services provider or nursing facility
19 for services rendered to a dually eligible individual.

20 SECTION 3. Subchapter B, Chapter 531, Government Code, is
21 amended by adding Sections 531.063-531.070 to read as follows:

22 Sec. 531.063. PHARMACY BENEFIT MANAGER. (a) In this
23 section, "pharmacy benefit manager" has the meaning assigned by
24 Section 1, Article 21.07-6, Insurance Code.

1 (b) The commission shall contract with a pharmacy benefit
2 manager to administer the pharmacy benefits of the Medicaid vendor
3 drug program and the child health plan program.

4 Sec. 531.064. SUPPLEMENTAL REBATES. (a) In this section:

5 (1) "Labeler" means a person that:

6 (A) has a labeler code from the United States
7 Food and Drug Administration under 21 C.F.R. Section 207.20; and

8 (B) receives prescription drugs from a
9 manufacturer or wholesaler and repackages those drugs for later
10 retail sale.

11 (2) "Manufacturer" means a manufacturer of
12 prescription drugs as defined by 42 U.S.C. Section 1396r-8(k)(5),
13 as amended, including a subsidiary or affiliate of a manufacturer.

14 (3) "Wholesaler" means a person licensed under
15 Subchapter I, Chapter 431, Health and Safety Code.

16 (b) The commission shall negotiate with manufacturers and
17 labelers to obtain supplemental rebates for prescription drugs sold
18 in this state.

19 (c) A manufacturer or labeler that sells prescription drugs
20 in this state may voluntarily negotiate with the commission and
21 enter into an agreement to provide supplemental rebates for
22 prescription drugs provided under:

23 (1) the Medicaid vendor drug program in excess of the
24 Medicaid rebates required by 42 U.S.C. Section 1396r-8, as amended;
25 and

26 (2) the child health plan program under Chapter 62,
27 Health and Safety Code.

1 (d) In negotiating terms for a supplemental rebate amount,
2 the commission shall consider:

3 (1) rebates calculated under the Medicaid rebate
4 program in accordance with 42 U.S.C. Section 1396r-8, as amended;
5 and

6 (2) any other available information on prescription
7 drug prices or rebates.

8 Sec. 531.065. CONFIDENTIALITY OF REBATES, PRICING, AND
9 NEGOTIATIONS. Information obtained or maintained by the Health and
10 Human Services Commission regarding supplemental medical
11 assistance rebate negotiations or a supplemental medical
12 assistance rebate agreement, including trade secrets, rebate
13 amount, rebate percentage, and manufacturer or labeler pricing, is
14 confidential and not subject to disclosure under Chapter 552,
15 Government Code.

16 Sec. 531.066. PREFERRED DRUG LISTS FOR MEDICAID AND CHILD
17 HEALTH PLAN PROGRAMS. (a) The commission shall adopt preferred
18 drug lists for the Medicaid vendor drug program and for
19 prescription drugs purchased through the child health plan program.
20 In making a decision regarding the placement of a drug on each of
21 the preferred drug lists, the commission shall consider:

22 (1) the recommendations of the Pharmaceutical and
23 Therapeutics Committee established under Section 531.068;

24 (2) the clinical efficacy of the drug; and

25 (3) the price of competing drugs after deducting any
26 federal and state rebate amounts.

27 (b) The commission shall provide for distribution of

1 current copies of the preferred drug lists to all appropriate
2 providers of medical assistance in this state.

3 (c) In this subsection, "labeler" and "manufacturer" have
4 the meanings assigned by Section 531.064. The commission shall
5 ensure that:

6 (1) a manufacturer or labeler that reaches an
7 agreement with the commission on supplemental rebates under Section
8 531.064 has an opportunity to provide written evidence supporting
9 inclusion of a drug on the preferred drug lists; and

10 (2) any drug that has been approved or has had any of
11 its particular uses approved by the United States Food and Drug
12 Administration under a priority review classification will be
13 reviewed by the Pharmaceutical and Therapeutics Committee at the
14 next regularly scheduled meeting of the committee. On receiving
15 notice from a manufacturer or labeler of the availability of a new
16 product, the commission, to the extent possible, shall schedule a
17 review for the product at the next regularly scheduled meeting of
18 the committee.

19 (d) A recipient of drug benefits under the Medicaid vendor
20 drug program may use the Medicaid fair hearing process to appeal a
21 preferred drug list decision made by the commission.

22 Sec. 531.067. PRIOR AUTHORIZATION FOR CERTAIN PRESCRIPTION
23 DRUGS. The commission, in its rules and standards governing the
24 Medicaid vendor drug program, and the child health plan program,
25 shall require prior authorization for the reimbursement of a drug
26 that is not included in the appropriate preferred drug lists
27 adopted under Section 531.066, except for any drug exempted from

1 prior authorization requirements by federal law. The commission
2 shall establish procedures for the prior authorization requirement
3 under the Medicaid vendor drug program to ensure that the
4 requirements of 42 U.S.C. Section 1396r-8(d)(5) are met.

5 Sec. 531.068. PHARMACEUTICAL AND THERAPEUTICS COMMITTEE.

6 (a) The Pharmaceutical and Therapeutics Committee is established
7 for the purposes of developing recommendations for a preferred drug
8 list for the Medicaid vendor drug program and a preferred drug list
9 for the child health plan program.

10 (b) The committee consists of the following members
11 appointed by the governor:

12 (1) five physicians licensed under Subtitle B, Title
13 3, Occupations Code;

14 (2) five pharmacists licensed under Subtitle J, Title
15 3, Occupations Code; and

16 (3) one public member.

17 (c) In making appointments to the committee under
18 Subsection (b), the governor shall ensure that the committee
19 includes physicians or pharmacists participating in the medical
20 assistance program or child health plan program who:

21 (1) provide services to all segments of the program's
22 diverse population; and

23 (2) have experience in either developing or practicing
24 under a preferred drug list.

25 (d) A member of the committee is appointed for a two-year
26 term and may serve more than one term.

27 (e) The committee shall elect a presiding officer and an

1 assistant presiding officer from its membership, and each officer
2 shall serve a one-year term.

3 (f) The committee shall meet at least quarterly at the call
4 of the presiding officer.

5 (g) A member of the committee may not receive compensation
6 for serving on the committee but is entitled to reimbursement for
7 reasonable and necessary travel expenses incurred by the member
8 while conducting the business of the committee, as provided by the
9 General Appropriations Act.

10 (h) In developing its recommendations for the preferred
11 drug lists, the committee shall consider the clinical efficacy,
12 safety, and cost-effectiveness of a product.

13 (i) The commission shall adopt rules governing the
14 operation of the committee, including rules governing the
15 procedures used by the committee for providing notice of a meeting.
16 The committee shall comply with the rules adopted under this
17 subsection.

18 (j) To the extent feasible, the committee shall review all
19 drug classes included in the preferred drug lists adopted under
20 Section 531.066 at least once every 12 months and may recommend
21 inclusions to and exclusions from the list to ensure that the list
22 provides for cost-effective medically appropriate drug therapies
23 for Medicaid recipients and children receiving health benefits
24 coverage under the child health plan program.

25 (k) The commission shall provide administrative support and
26 resources as necessary for the committee to perform its duties
27 under this section and Section 531.067.

1 (1) Chapter 2110 does not apply to the committee.

2 Sec. 531.069. CONTRACTS FOR DISEASE MANAGEMENT
3 PROGRAMS. (a) The commission shall request contract proposals
4 from providers of disease management programs, including managed
5 care organizations that contract with the commission to provide
6 health care services under Chapter 533, to provide program services
7 to Medicaid recipients who have a disease or other chronic health
8 condition, such as heart disease, diabetes, respiratory illness,
9 end-stage renal disease, HIV infection, or AIDS, that the
10 commission determines is a disease or condition that needs disease
11 management and for whom provision of services through a disease
12 management model instead of a Medicaid managed care plan is more
13 effective and economical.

14 (b) The commission may contract with a private entity to:

- 15 (1) write the requests for proposals;
16 (2) determine how savings will be measured;
17 (3) identify populations that need disease
18 management; and
19 (4) develop appropriate contracts.

20 (c) The commission, by rule, shall prescribe the minimum
21 requirements a provider of a disease management program must meet
22 to be eligible to receive a contract under this section.

23 (d) The commission may not award a contract for a disease
24 management program under this section unless the contract includes
25 a written guarantee of state savings on expenditures for the group
26 of Medicaid recipients covered by the program.

27 Sec. 531.070. CONTRACTS FOR TRANSPORTATION BROKERAGE

1 SERVICES. (a) The commission shall contract with a single
2 statewide transportation broker or with an appropriate number of
3 regional transportation brokers for administrative assistance in
4 providing transportation services under the medical transportation
5 program.

6 (b) The commission may contract under this section with any
7 person who meets the criteria established by the commission,
8 including a nonprofit organization, public entity, or private
9 contractor.

10 (c) A contract between the commission and a broker must:

11 (1) require the broker to act as a gatekeeper to
12 control costs and the use of transportation services, as well as to
13 ensure consistent quality of and access to those services;

14 (2) require the broker to implement procedures
15 designed to:

16 (A) prevent fraud and abuse in the medical
17 transportation program; and

18 (B) promote use of the most efficient and least
19 costly modes of transportation; and

20 (3) include an overall cap on the amount that may be
21 paid by the commission under the contract.

22 (d) The broker or brokers selected by the commission may
23 contract with transportation providers as necessary to provide
24 transportation services to persons eligible for those services.

25 SECTION 4. Section 62.101(b), Health and Safety Code, is
26 amended to read as follows:

27 (b) The commission shall establish income eligibility

1 levels consistent with Title XXI, Social Security Act (42 U.S.C.
2 Section 1397aa et seq.), as amended, and any other applicable law or
3 regulations, and subject to the availability of appropriated money,
4 so that a child who is younger than 19 years of age and whose net
5 family income is at or below 150 [~~200~~] percent of the federal
6 poverty level is eligible for health benefits coverage under the
7 program.

8 SECTION 5. Section 62.151(b), Health and Safety Code, is
9 amended to read as follows:

10 (b) In developing the covered benefits, the commission
11 shall consider the health care needs of healthy children and
12 children with special health care needs. [~~At the time the child~~
13 ~~health plan program is first implemented, the child health plan~~
14 ~~must provide a benefits package that is actuarially equivalent, as~~
15 ~~determined in accordance with 42 U.S.C. Section 1397cc, to the~~
16 ~~basic plan for active state employees offered through health~~
17 ~~maintenance organizations under the Texas Employees Uniform Group~~
18 ~~Insurance Benefits Act (Article 3.50-2, Vernon's Texas Insurance~~
19 ~~Code), as determined by the commission. The child health plan must~~
20 ~~provide at least the covered benefits described by the recommended~~
21 ~~benefits package described for a state-designed child health plan~~
22 ~~by the Texas House of Representatives Committee on Public Health~~
23 ~~"CHIP" Interim Report to the Seventy-Sixth Texas Legislature dated~~
24 ~~December, 1998, and the Senate Interim Committee on Children's~~
25 ~~Health Insurance Report to the Seventy-Sixth Texas Legislature~~
26 ~~dated December 1, 1998.]~~

27 SECTION 6. Subchapter K, Chapter 242, Health and Safety

1 Code, is amended by adding Section 242.406 to read as follows:

2 Sec. 242.406. GRANT PROGRAM FOR NURSING FACILITIES
3 PROVIDING QUALITY ENVIRONMENTS. (a) The department shall
4 establish a competitive grant program to pay part of the costs of a
5 project proposed by a nursing facility that is designed to improve
6 the quality of life for residents of the facility by providing:

7 (1) homelike environments for residents, including
8 providing opportunities for residents to engage in meaningful
9 activities such as gardening or other outdoor activities;

10 (2) direct care staff members who tailor care to the
11 individual needs of a resident and allow the resident and the
12 resident's family members to participate in the decision-making
13 process regarding that care;

14 (3) opportunities for residents to interact with
15 companion animals, children, family members, and other visitors
16 from the community; or

17 (4) other innovative programs designed to improve the
18 quality of residents' care.

19 (b) A project proposed by a nursing facility under
20 Subsection (a) must be designed to serve as a model of best
21 practices for the nursing facility industry.

22 (c) The department shall monitor the expenditure of grant
23 money to ensure that the money is being used for the intended
24 purpose.

25 (d) The department by rule shall establish guidelines for
26 the grant program, including guidelines that specify:

27 (1) the procedures for submitting a grant proposal;

1 (2) the criteria the department will follow in
2 evaluating the proposals; and

3 (3) the reports that a grant recipient must file to
4 allow the department and the industry to evaluate the feasibility
5 and success of the project.

6 (e) The department shall fund the grant program using
7 available resources attributable to the savings realized from
8 implementing Section 32.050(d), Human Resources Code.

9 (f) The department shall award each grant under a contract.
10 A contract may further detail:

11 (1) reports that the grant recipient must file; and

12 (2) monitoring of the project that the grant recipient
13 must allow.

14 (g) The department shall post a summary of best practices
15 under the grant program on its Internet site to serve as a model of
16 best practices for the industry. The department shall report to the
17 legislature regarding those best practices.

18 SECTION 7. Section 31.012(c), Human Resources Code, is
19 amended to read as follows:

20 (c) A person who is the caretaker of a physically or
21 mentally disabled child who requires the caretaker's presence is
22 not required to participate in a program under this section.
23 Effective January 1, 2000, a single person who is the caretaker of a
24 child is not required to participate in a program under this section
25 until the caretaker's youngest child at the time the caretaker
26 first became eligible for assistance reaches the age of three.
27 Effective September 1, 2000, a single person who is the caretaker of

1 a child is exempt until the caretaker's youngest child at the time
2 the caretaker first became eligible for assistance reaches the age
3 of two. Effective September 1, 2001, a single person who is the
4 caretaker of a child is exempt until the caretaker's youngest child
5 at the time the caretaker first became eligible for assistance
6 reaches the age of one. [~~Notwithstanding Sections 31.0035(b) and~~
7 ~~32.0255(b), the department shall provide to a person who is exempt~~
8 ~~under this subsection and who voluntarily participates in a program~~
9 ~~under Subsection (a)(2) six months of transitional benefits in~~
10 ~~addition to the applicable limit prescribed by Section 31.0065.]~~

11 SECTION 8. Section 32.021, Human Resources Code, is amended
12 by adding Subsections (q), (r), and (s) to read as follows:

13 (q) The department shall include in its contracts for the
14 delivery of medical assistance by nursing facilities clearly
15 defined minimum standards that relate directly to the quality of
16 care for residents of those facilities. The department shall
17 include in each contract:

18 (1) specific performance measures by which the
19 department may evaluate the extent to which the nursing facility is
20 meeting the standards; and

21 (2) provisions that allow the department to terminate
22 the contract if the nursing facility is not meeting the standards.

23 (r) The department may not award a contract for the delivery
24 of medical assistance to a nursing facility that does not meet the
25 minimum standards that would be included in the contract as
26 required by Subsection (q). The department shall terminate a
27 contract for the delivery of medical assistance by a nursing

1 facility that does not meet or maintain the minimum standards
2 included in the contract in a manner consistent with the terms of
3 the contract.

4 (s) Not later than November 15 of each even-numbered year,
5 the department shall submit a report to the legislature regarding
6 nursing facilities that contract with the department to provide
7 medical assistance under this chapter and other facilities with
8 which the department was prohibited to contract as provided by
9 Subsection (r). The department may include the report required
10 under this section with the report made by the long-term care
11 legislative oversight committee as required by Section 242.654,
12 Health and Safety Code. The report must include:

13 (1) the minimum standards and performance measures
14 included in the department's contracts with those facilities;

15 (2) the performance of the facilities with regard to
16 the minimum standards;

17 (3) the number of facilities with which the department
18 has terminated a contract or to which the department will not award
19 a contract because the facilities do not meet the minimum
20 standards; and

21 (4) the overall impact of the minimum standards on the
22 quality of care provided by the facilities, consumers' access to
23 facilities, and cost of care.

24 SECTION 9. Subchapter B, Chapter 32, Human Resources Code,
25 is amended by adding Section 32.0212 to read as follows:

26 Sec. 32.0212. DELIVERY OF MEDICAL ASSISTANCE.
27 Notwithstanding any other law, the department shall provide medical

1 assistance only through the Medicaid managed care system
2 implemented under Chapter 533, Government Code.

3 SECTION 10. Section 32.0321(a), Human Resources Code, is
4 amended to read as follows:

5 (a) The department by rule may require each provider of
6 medical assistance in a provider type that has demonstrated
7 significant potential for fraud or abuse to file with the
8 department a surety bond in a reasonable amount. The department by
9 rule shall require a provider of medical assistance to file with the
10 department a surety bond in a reasonable amount if the department
11 identifies an irregularity relating to the provider's services
12 under the medical assistance program that indicates the need for
13 protection against potential future acts of fraud or abuse.

14 SECTION 11. Subchapter B, Chapter 32, Human Resources Code,
15 is amended by adding Section 32.0423 to read as follows:

16 Sec. 32.0423. RECOVERY OF REIMBURSEMENTS FROM HEALTH
17 COVERAGE PROVIDERS. To the extent allowed by federal law, a health
18 care service provider must seek reimbursement from available
19 third-party health coverage or insurance before billing the medical
20 assistance program.

21 SECTION 12. Section 32.050, Human Resources Code, is
22 amended by adding Subsections (d) and (e) to read as follows:

23 (d) For a nursing facility service provided to an individual
24 who is eligible under the medical assistance program and Medicare,
25 the medical assistance program may not pay any portion of the
26 Medicare deductibles or coinsurance, and the nursing facility that
27 provided the service shall consider the amount paid by Medicare as

1 payment in full if the amount paid by Medicare is equal to or
2 exceeds the Medicaid reimbursement rate for a service.

3 (e) A nursing facility, home health services provider, or
4 any other similar long-term care services provider must seek
5 reimbursement from Medicare before billing the medical assistance
6 program for services provided to an individual identified under
7 Subsection (a).

8 SECTION 13. Subchapter B, Chapter 32, Human Resources Code,
9 is amended by adding Section 32.060 to read as follows:

10 Sec. 32.060. THIRD-PARTY BILLING VENDORS. (a) A
11 third-party billing vendor may not submit a claim with the
12 department for reimbursement on behalf of a provider of medical
13 services under the medical assistance program unless the vendor has
14 entered into a contract with the department authorizing that
15 activity.

16 (b) To the extent practical, the contract shall contain
17 provisions comparable to the provisions contained in contracts
18 between the department and providers of medical services, with an
19 emphasis on provisions designed to prevent fraud or abuse under the
20 medical assistance program. At a minimum, the contract must
21 require the third-party billing vendor to:

22 (1) provide documentation of the vendor's authority to
23 bill on behalf of each provider for whom the vendor submits claims;

24 (2) submit a claim in a manner that permits the
25 department to identify and verify the vendor, any computer or
26 telephone line used in submitting the claim, any relevant user
27 password used in submitting the claim, and any provider number

1 referenced in the claim; and

2 (3) subject to any confidentiality requirements
3 imposed by federal law, provide the department, the office of the
4 attorney general, or authorized representatives with:

5 (A) access to any records maintained by the
6 vendor, including original records and records maintained by the
7 vendor on behalf of a provider, relevant to an audit or
8 investigation of the vendor's services or another function of the
9 department or office of attorney general relating to the vendor;
10 and

11 (B) if requested, copies of any records described
12 by Paragraph (A) at no charge to the department, the office of the
13 attorney general, or authorized representatives.

14 (c) On receipt of a claim submitted by a third-party billing
15 vendor, the department shall send a remittance notice directly to
16 the provider referenced in the claim. The notice must:

17 (1) include detailed information regarding the claim
18 submitted on behalf of the provider; and

19 (2) require the provider to review the claim for
20 accuracy and notify the department promptly regarding any errors.

21 (d) The department shall take all action necessary,
22 including any modifications of the department's claims processing
23 system, to enable the department to identify and verify a
24 third-party billing vendor submitting a claim for reimbursement
25 under the medical assistance program, including identification and
26 verification of any computer or telephone line used in submitting
27 the claim, any relevant user password used in submitting the claim,

1 and any provider number referenced in the claim.

2 SECTION 14. Section 57.046, Utilities Code, is amended by
3 adding Subsection (c) to read as follows:

4 (c) In addition to the purposes for which the qualifying
5 entities account may be used, the board may use money in the account
6 to award grants to the Health and Human Services Commission for
7 technology initiatives of the commission.

8 SECTION 15. If before implementing any provision of this
9 Act a state agency determines that a waiver or authorization from a
10 federal agency is necessary for implementation of that provision,
11 the agency affected by the provision shall request the waiver or
12 authorization and may delay implementing that provision until the
13 waiver or authorization is granted.

14 SECTION 16. Sections 32.0423 and 32.050(e), Human Resources
15 Code, as added by this Act, apply to a person receiving medical
16 assistance on or after the effective date of this Act regardless of
17 the date on which the person began receiving that medical
18 assistance.

19 SECTION 17. Not later than September 1, 2003, the Health and
20 Human Services Commission shall request and actively pursue any
21 necessary waivers from a federal agency or any other appropriate
22 entity to allow families enrolled in the state Medicaid program to
23 opt into the child health plan program under Chapter 62, Health and
24 Safety Code, while retaining the appropriate federal match rate.

25 SECTION 18. Not later than November 1, 2003, the governor
26 shall appoint members to the Pharmaceutical and Therapeutics
27 Committee established under Section 531.068, Government Code, as

1 added by this Act.

2 SECTION 19. Not later than January 1, 2004, the Health and
3 Human Services Commission shall implement Section 531.064,
4 Government Code, as added by this Act.

5 SECTION 20. (a) Not later than January 1, 2004, the
6 Pharmaceutical and Therapeutics Committee established under
7 Section 531.068, Government Code, as added by this Act, shall
8 submit recommendations for the preferred drug lists the committee
9 is required to develop under that section to the Health and Human
10 Services Commission.

11 (b) Not later than March 1, 2004, the Health and Human
12 Services Commission shall adopt the preferred drug lists as
13 required by Section 531.066, Government Code, as added by this Act.

14 SECTION 21. Not later than January 1, 2004, the Health and
15 Human Services Commission shall ensure that medical assistance
16 services under the state Medicaid program are provided and
17 delivered through the Medicaid managed care system implemented
18 under Chapter 533, Government Code.

19 SECTION 22. (a) Not later than March 1, 2004, the Health
20 and Human Services Commission shall consolidate the Medicaid
21 post-payment third-party recovery divisions or activities of the
22 Texas Department of Human Services, the Medicaid vendor drug
23 program, and the state's Medicaid claims administrator with the
24 Medicaid post-payment third-party recovery function.

25 (b) The Health and Human Services Commission shall use the
26 commission's Medicaid post-payment third-party recovery contractor
27 for the consolidated division.

1 (c) The Health and Human Services Commission shall update
2 its computer system to facilitate the consolidation.

3 SECTION 23. Section 32.021(q), Human Resources Code, as
4 added by this Act, applies only to a contract for the delivery of
5 medical assistance by a nursing facility that is entered into or
6 renewed on or after May 1, 2004. A contract for the delivery of
7 medical assistance by a nursing facility entered into before that
8 date is governed by the law in effect on the date the contract was
9 entered into, and the former law is continued in effect for that
10 purpose.

11 SECTION 24. On September 1, 2004, or on an earlier date
12 specified by the Health and Human Services Commission:

13 (1) all powers, duties, functions, activities,
14 obligations, rights, contracts, records, property, and
15 appropriations or other money of the Texas Department of Health
16 that are determined by the commissioner of health and human
17 services to be essential to the administration of the medical
18 transportation program are transferred to the Health and Human
19 Services Commission;

20 (2) a rule or form adopted by the Texas Department of
21 Health that relates to the medical transportation program is a rule
22 or form of the Health and Human Services Commission and remains in
23 effect until altered by the commission;

24 (3) a reference in law or an administrative rule to the
25 Texas Department of Health that relates to the medical
26 transportation program means the Health and Human Services
27 Commission;

1 (4) a license, permit, or certification in effect that
2 was issued by the Texas Department of Health that relates to the
3 medical transportation program is continued in effect as a license,
4 permit, or certification of the Health and Human Services
5 Commission; and

6 (5) a complaint, investigation, or other proceeding
7 pending before the Texas Department of Health that relates to the
8 medical transportation program is transferred without change in
9 status to the Health and Human Services Commission.

10 SECTION 25. The Health and Human Services Commission shall
11 take all action necessary to provide for:

12 (1) the transfer of the medical transportation program
13 to the commission as soon as possible after the effective date of
14 this Act but not later than September 1, 2004; and

15 (2) the execution of a contract authorized by Section
16 531.070, Government Code, as added by this Act, not later than
17 September 1, 2004.

18 SECTION 26. Sections 31.0035, 32.0255, 32.027, 32.028, and
19 32.0315, Human Resources Code, are repealed.

20 SECTION 27. (a) Except as otherwise provided by Subsection
21 (b) of this section, this Act takes effect September 1, 2003.

22 (b) Section 32.060, Human Resources Code, as added by this
23 Act, takes effect January 1, 2004.