

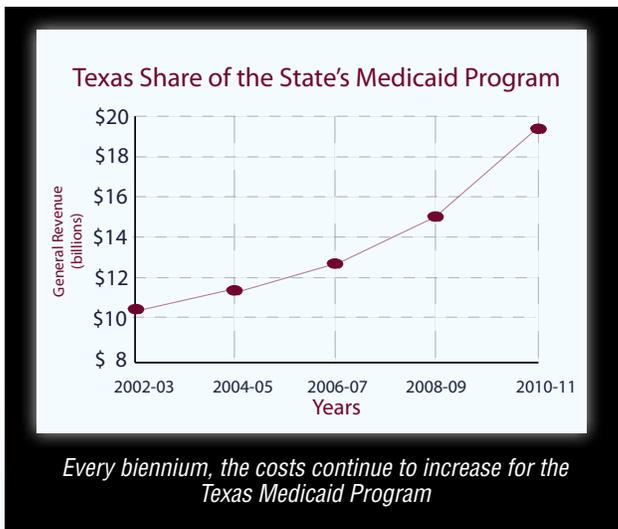


Why Medicaid Managed Care Is A Must

TAB urges lawmakers to manage costs, improve health care in the State's Medicaid program.

A little known floor amendment tacked onto legislation at the end of the 2003 Legislative Session is costing Texas taxpayers billions.

Currently, 73 percent of the state's Medicaid population is enrolled in a managed care program. Managed care in Medicaid is a proven model that delivers higher quality, better coordinated care, and that wisely uses limited tax dollars for this safety net health care program.



Yet, 350,000 Medicaid recipients in a three-county area in the Rio Grande Valley are excluded from participation in the state's managed care system. This situation is a direct result of an amendment that was more about politics and special interests than sound public policy or quality care.

"For too long, Texas taxpayers and Medicaid

clients have suffered under a very limited, special carve-out prohibiting the expansion of Medicaid managed care to portions of the Rio Grande Valley," said TAB president and CEO Bill Hammond. "Enough is enough. If Medicaid managed care is good enough for the people of El Paso, for families in Houston, San Antonio, Dallas and all across metropolitan Texas, then it's good enough for the Rio Grande Valley as well."

TAB's Bill Hammond is making the case to lawmakers and leadership that

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WORKFORCE Q&A

We discovered that an employee our company hired recently has been on deferred adjudication. We confronted the employee because he answered "no" to the question on our employment application about whether he had been convicted of a crime. He said because he finished his probation successfully, the conviction was erased, so he was truthful on the application. Is that correct, and can we terminate his employment anyway?

ONLINE TEAM

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TAB MISSION

To make the Texas business climate the best in the world.

WORKFORCE Q&A



T.J. Wray,
Fulbright & Jaworski LLP

We discovered that an employee our company hired recently has been on deferred adjudication. We confronted the employee because he answered “no” to the question on our employment application about whether he had been convicted of a crime. He said because he finished his probation successfully, the conviction was erased, so he was truthful on the application. Is that correct, and can we terminate his employment anyway?

Deferred adjudication is available under Texas law for most misdemeanors and even some felonies. Where the court permits it, the defendant pleads guilty or no contest and is placed on a form of supervision or probation which imposes conditions or requirements on the defendant. If the defendant successfully completes the period of supervision, the charges are “dismissed” and the court never adjudicates the guilt of the defendant. However, unless the defendant obtains an order of non-disclosure, which is the closest thing to “erasing” the matter, the plea will show up on a criminal background check.

Employers who wish to learn about any deferred adjudication and avoid other potential problems should ask on the application about more than “convictions.” An example of a permissible inquiry would be “Have you ever been convicted of or served deferred adjudication or probation for a misdemeanor (other than minor traffic tickets) or felony, or are you now under court supervision or awaiting trial or sentencing for any crime? If yes, provide details.”

The inquiry should be tempered with the following: “Note: Conviction will not automatically bar employment.” Why? The Equal Employment Opportunity Commission (EEOC) is of the view that because some minorities have a higher conviction rate than the average, employers must examine each conviction in relation to the job which the applicant seeks, considering such factors as the length of time since the conviction, the age at which the crime was committed, and the applicants overall work record.

Even though in this instance the employee truthfully answered that he had not been convicted, if he was hired on an at will basis, nothing prevents the employer from evaluating the nature of the crime for which he completed deferred adjudication in relation to the job he holds. His performance in the job since being hired should be considered along with the other criteria EEOC recommends for analysis. Note that this answer may not hold in other states, some of which not only permit employees to refuse to disclose deferred adjudication, but also prohibit employers from considering it.

Employment Relations questions?

***Don't forget to call TAB's Employment Relations Hotline
for your next HR Question
1.800.856.6721, ext. 164 or E-mail smcgee@txbiz.org***

TEXAS BUSINESS REPORT

Volume 25 | Issue 10
October 2010

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Texas Business Report (ISSN0892-6816) is published on the 15th of every month by Texas Association of Business, located at: 1209 Nueces Street, Austin, TX 78701. Subscriptions are available at a rate of \$2.00, which is deducted from TAB members' annual dues. Articles may be reprinted with permission. Legislative advertising paid by TAB.

Periodicals Postage Paid at Austin, Texas.
POSTMASTER – Send address changes to:
Texas Business Report,
1209 Nueces Street, Austin, TX 78701

Medicaid Managed Care

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Medicaid managed care must be part of their solution to address the State's estimated \$21 billion budgetary shortfall.

According to the latest Health and Human Services Commission's (HHSC) budget estimates, the expansion of Medicaid managed care would produce at least \$1.2 billion in all-funds (state and federal revenue) savings in Texas.

During a recent Legislative Budget Board hearing, HHSC testified that the \$1.2 billion was a conservative savings estimate and that the total cost savings could be even higher.

By expanding managed care across Texas, Medicaid clients would also realize greater operational efficiencies by aligning the HMO delivery areas of both the Children's Health Insurance Program (CHIP) and Medicaid programs. This move would translate into greater convenience for recipients, better coordination of care and an effective means to control Medicaid's skyrocketing costs. HHSC also stated that an expansion of Medicaid managed care would regionalize health care delivery systems, creating more

flexibility and allowing for more predictability in determining costs.

TAB's aggressive push for Medicaid managed care this next Session fits within TAB's larger legislative agenda and health care priorities. TAB feels strongly that Medicaid managed care is not only the right thing to do for Texas taxpayers, but it is also a critical improvement in the quality and coordination of care for Texas' Medicaid clients.

Why should Texas business owners care about Medicaid managed care?

"Texas businesses pay 62 percent of the combined state and local taxes," said Hammond. "TAB and Texas employers across our state have a major stake in how efficiently and effectively taxpayer dollars are being spent on programs like Medicaid. We feel strongly that Medicaid managed care is the right and reasonable approach, and that's why it's a top legislative priority for TAB and our membership."

Voters Support Lawsuit Reform. Will Lawmakers Listen?

A recent statewide survey of Texas voters shows that any concentrated – and well-funded – efforts to push a pro-lawsuit, anti-reform and anti-jobs agenda are out of step with Texas voters. According to a survey released by Texans Against Lawsuit Abuse (TALA), the majority of Texas voters – from across the political spectrum – believe that legal reforms have helped increase access to health care, injected fairness in our courts, and helped attract businesses and jobs to the Lone Star State.

Contrary to the agenda of those trying to undo reforms, the TALA survey showed:

- Seventy-eight percent of Texas voters believe that the Legislature should protect reforms designed to reduce abusive lawsuits.
- Two-thirds of respondents (67%) think that more lawsuits against Texas businesses would have a negative impact on the economy and jobs.

For more information and details on the survey, visit www.reformworks.com.

Statement of Ownership, Management, and Circulation of the Texas Business Report as Required by the United States Postal Service.

The Texas Business Report, publication number 0892-6816, is a monthly publication of the Texas Association of Business, with 12 issues published annually. The cost of annual subscriptions is \$2 of TAB member dues. The annually-required publication paperwork was filed with the USPS on **September 29, 2010**.

The Texas Association of Business is headquartered at 1209 Nueces Street; Austin, TX 78701, where the Texas Business Report is also published and edited. Texas Association of Business and Bill Hammond hold ownership of the Texas Business Report. Editor of the publication is Cathy DeWitt, TAB Communications Director, who also serves as the publication contact person at 512-637-7714. There is no Managing Editor for the publication. There are no known bondholders, mortgages, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities for the Texas Business Report.

With regards to tax status, the purpose, function, and nonprofit status of this organization and the exempt status for federal income tax purposes has not changed during preceding 12 months.

Statement of Ownership of the Texas Business Report, as a general publication, is required to be published and is included in the October issue. The Statement was signed by Cathy DeWitt and dated **09-29-10**, certifying that all information furnished on the form is true and complete and with the understanding that anyone who furnishes false or misleading information on the form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

	Average number of copies since October 2009	Number of copies for September 2010 issue
Total Number of Copies	4500	4500
*Mailed Outside-County Paid Subscriptions	3661	3654
*Mailed In-County Paid Subscriptions	310	313
*Paid Distribution Outside the Mails Including Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Paid Distribution Outside USPS	--	--
*Paid Distribution by Other Classes of Mail Through the USPS	--	--
Total Paid Distribution	3611	3967
**Free or Nominal Rate Outside-County Copies	149	151
**Free or Nominal Rate Copies Mailed at Other Classes Through the USPS	--	--
**Free or Nominal Rate Distribution Outside the Mail	50	50
Total Free or Nominal Rate Distribution	200	201
Total Distribution	4111	4168
Copies not Distributed	389	332
Total	4500	4500
Percent Paid	95.1%	95.1%

MEMBER PROFILE

Graham International – Texas Company Keeps Businesses Moving

Take a look at a commercial truck on the state's highways and freeways and there's a good chance that Texas Association of Business (TAB) member Brett Graham and his companies had a hand in keeping it moving.

A native Texan, Brett Graham, owner of Graham International, Graham Diesel Injection, and Graham Truck Tire Centers, is a fixture in the North Texas and Southern Oklahoma communities where his businesses are based.

Established in 1965 by Brett's father, Jim Graham, who passed away in 1993, Graham International provides truck services and parts from more than 70 vendor lines. Graham Truck Tire Centers is an authorized dealer for Bridgestone, Firestone, Michelin, Hankook and Double Coin Tires. Graham Diesel Injection rebuilds diesel fuel pumps and injectors.

With more than \$2 million in inventory, Mr. Graham's business is quite literally to keep Texas trucks moving.

"It's not the easiest, the prettiest or the most glamorous business out there for sure," said Graham. "But after 45 years, it is just what we do. Once the truck business is in your blood, there is no turning back."

Graham has faced and overcome his fair share of challenges. While the elder Graham was ill for four or five years before he passed away, the younger Graham tips his hat to the family and their loyal employees that helped to keep the doors open through his father's death and tough economic times. Family has always remained an essential part of the younger Graham's life. Married for 17 years with three kids, Graham never loses sight of his family as a backbone and rock for him.

Looking back, Graham recognized that it was the workers' comp. reforms that were a critical reason why Graham International was able to stay in business, and once he discovered the leadership role that TAB played in the passage of those key reforms in the early 1990s, he knew that he had to give back to the organization.

Graham, a competitive bass angler who spends as much time as he can at his bass lodge in Mexico—Trophy Bass Lodge—considers it to be a privilege to represent small business owners across the state of Texas with his service on the TAB Board of Directors. It's just one of the many ways and countless hours, Graham has given back, including a stint as chair of the TAB Tax Committee, current chair of TAB's political arm, BACPAC, and as an incoming Board Chair.

"I commend Bill Hammond and the staff at TAB for their work to ensure that every Texas business, large and small, is represented at the table,"

***— Brett Graham
Owner
Graham International***

"Civic responsibility is something that I feel very strongly about," said Graham. "It is each person's responsibility to return more to our community than we take."

Locally, Graham has been involved in organizations like the United Way, Sherman Chamber of Commerce, Boy Scouts Regional Advisory Board, and the Salvation Army. However, it's TAB that holds a special place in Graham's heart.

"I commend Bill Hammond and the staff at TAB for their work to ensure that every Texas business, large and small, is represented at the table," said Graham.

"Brett's history with TAB and as a business owner in Texas is noteworthy," said TAB president/CEO Hammond. "He's a job creator, an innovator and a strong voice for small business. We're grateful for his involvement and leadership within TAB."

TAB knows that its members like Graham International and its owner, Brett Graham, are the ones that, literally, keep Texas business moving.



TAB Board Ballot

For the election of Directors-at Large nominated to serve January 1, 2011 through December 31, 2013.

As prescribed by the Constitution of Texas Association of Business (TAB), the following active TAB members in good standing have been nominated to serve on the TAB Board of Directors for a three-year term. According to the TAB Constitution, any member, upon receiving the ballot, shall have six (6) days from the date on the ballot or date of mailing (whichever is later) within which to offer substitute nominations for one or more of the nominees for whom substitution is suggested. If no substitute nominations are made as prescribed within ten (10) calendar days from the date of mailing, the list of nominees shall automatically be elected as members of the Board for the specified term indicated on the ballot.

Mr. Scott Asbjornson -

Longview, AAON

Mr. Richard L. Ball -

Mineral Wells, Wes-Tex Vending

Mr. Jeffrey Bartz - Marble

Falls, Bartz Office Solutions, Inc.

Mr. Cecil Bell, Jr. -

Magnolia, B-5 Construction Company, Inc.

Mr. Henry Bell, III - Tyler,

Tyler Area Chamber of Commerce

Ms. Sandra Chavarria -

Dallas, Communities In Schools

Mr. John Cloutier -

Henderson, Blazer, Inc.

Mr. William Conner -

Brownsville, SGS Industrial Supplies

Ms. Cheri DeJong - Hartley,

Agri Vision Farm Mgmt. LLC

Mr. Tieman H. Dippel, III -

Brenham, Brenham National Bank

Mr. Odie Dollins -

Comanche, Durham-Ellis Pecan Company

Ms. Nancy Ebe - Austin,

Ebe & Associates

Ms. Connie J. Elies, IOM-

Alvin, Alvin-Manvel Area Chamber of Commerce

Mr. Dean Elliott - Little

Rock, Dillard's, Inc.

Dr. Sara Ensor - Hamilton,

Hamilton Family Chiropractic

Mr. Larry Feeler - Odessa,

WorkSteps

Mr. David Fincher -

Rowlett, Cottonmill Learning Center

Mr. Darrell Gill - San

Angelo, Ener-Tel

Mr. Rick Grunden -

Denton, Grunden Financial Advisory, Inc.

Mr. Gil Heldenfels -

San Marcos, Heldenfels Enterprises, Inc.

Mr. Bruce Hillegeist, IOM-

Tomball, Greater Tomball Area Chamber of Commerce

Ms. Mary Hunt - Odessa,

Hunt Advertising & Consulting, Inc.

Mr. M. Jay Lathern - Waco,

Metals 2 Go

Mr. Steve Ledwell -

Texarkana, Ledwell

Mr. J. Glenn Lee - Houston,

Texas Funding

Mr. Ralph E. Lewis -

Gainesville, Gainesville Foundry, Inc.

Ms. Teresa McVicker -

Killeen, Medical Staffing Solutions

Mrs. Jody Nicholas -

Harker Heights, Broadwalk Enterprises, LLC

Mr. Ken Norris - Kilgore,

Matex Company

Mr. George Peckman -

Houston, Office Systems of Texas

Ms. Dana Philibert

- Pasadena, Philibert

Insurance-Allstate

Mr. Dan Porter - North

Richland Hills,

Porter Morgan Wealth Management

Ms. John Reider - Harker

Heights, John Reider Properties

Mr. Jay Saad - Plano,

CIGNA Plano

Ms. Rosemary Sage Jones -

Tyler, Ramey & Flock, P.C.

Mr. James Schell - Plano,

A R Schell & Son Agency

Mr. Guy Shaw - Celeste,

Konica Minolta Business Solutions U.S.A., Inc.

Ms. Sandra Shaw - Lake

Jackson, Brazosport Area Chamber of Commerce

Mr. Bradley Sheppard -

Belton, H.B. Sheppard Cen-Tex Properties

Mr. Mark Solomon -

Richardson, Assurnet Insurance Agency

Mr. Mark Tate - Chico,

T Top Manufacturing

Mr. Lynn Trimble - Dakkas,

Trinidad Medical Consultants

Mr. Terry Tuggle - Killeen,

First National Bank Texas

Mr. Greg Turner - Houston,

Turner Duran Architects, LP

Mr. Alex Vaughn - Forth

Worth, Cash America

Mr. Armando S. Waterland

- Channelview, Inbesa

America, Inc.

Mr. Michael Whorton, CIC

- Austin, Whorton Insurance

Services

Mr. Gary Wideman -

Burnet, State Farm Insurance

Mr. Phil Wilson - Austin,

Luminant - Austin

Mr. Andrew Wise - Austin,

Microsoft

Ms. Leslie Wolfe - Austin,

Maximus

Mr. Guy Young - Fort

Worth, The Gus Bates Company

QUOTES

“We think it’s completely inappropriate for the federal government to dictate to employers the terms and conditions of their health insurance.”

– Bill Hammond
Texas Tribune,
September 23, 2010

“How many bureaucrats does it take to crush a recovery?”

– Bill Hammond
Houston Chronicle,
September 26, 2010

Bill Hammond said that he was “optimistic that lawmakers could come up with budget that met ‘the needs, not wants,’ in Texas.”

– Lone Star Report,
September 10, 2010



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Talk **About** Business

Prosperity Is Priority One



Bill Hammond, TAB President

Will Rogers had it right when he quipped, “It ain’t bragging if it’s true.” There’s plenty to brag about when it comes to Texas. We are home to six of the top 21 recession-proof metro areas and have added 110,200 jobs since last year; leading CNBC to rate Texas as “the number one state for business.”

But, let’s be clear, the road ahead for our state will be a challenging one.

A state budget shortfall, possibly as high as \$21 billion for the biennium, will challenge lawmakers.

Then there’s the bull’s eye that some in Washington have placed on Texas’ back; aiming to tear down, roll back or regulate our state out of the substantial gains in job creation and economic growth that we’ve made.

That’s why we need to set clear priorities and expectations now.

State lawmakers will face intense and competing pressures as they work to meet the essential needs of our state while also ensuring continued job growth.

Our guiding philosophy focuses on the issues that impact bottom lines of employers, employees and families in our state most directly and dramatically.

In broader terms, TAB advocates for policies and laws that ensure a friendly

regulatory environment, a healthy business climate, improved access to world-class education, more career opportunities and a better quality of life.

In about 90 days, Texas lawmakers convene in Austin, and my message to each one on behalf of Texas’ job creators is simple: Let businesses thrive because we are the engine of job creation, economic growth and prosperity.

TAB has distilled that exact message into some very specific legislative actions and guiding principles that make up TAB’s legislative priorities for 2011 which will be released next week and will be available on our website.

To meet the challenges of the future, we must ensure that an educated workforce is readily available to meet the needs of Texas employers. That’s why we’ll make reforms that address our higher education system a top priority. We must create a college going culture, address the high school drop out crisis head on, reassess how we fund higher education and overhaul remedial education.

Contrary to what’s coming out of Washington today, government isn’t the solution to our economic woes. From the Obama Administration’s

costly Obamacare catastrophe to their push to saddle the Internet and wireless industries with complex, unnecessary regulatory schemes, to the EPA’s latest scientifically questionable move to force tougher regulations on dioxins, Texas needs to steer clear of these job killers.

There’s a reason more Fortune 500 companies call Texas home than any other state in the nation. We must hold the line and guard against any efforts to roll back landmark tort reforms and worker’s compensation reforms. These were hard fought victories and are proven models for ensuring a strong business climate that puts Texans to work.

The above are just some of the pro-business, pro-jobs policies we’ll fight for at the Capitol next year. And, it’s a message I hope that every business owner and TAB member will carry to state lawmakers and local leaders, too.

Simply put, every action that lawmakers take in Austin reverberates out to the smallest businesses in the farthest reaches of our great state. Our road map— i.e. our legislative priorities for next year—points the way. Now, it’s time for Texas lawmakers to lead us down a path of prosperity.