

SUBJECT: Authorizing DSHS to issue a single license for multiple hospitals

COMMITTEE: Public Health — committee substitute recommended

VOTE: 8 ayes — Delisi, Laubenberg, Coleman, Dawson, Jackson, McReynolds, Truitt, Zedler

0 nays

1 absent — Solis

WITNESSES: For — Matthew Wall, Texas Hospital Association

Against — None

On — Cindy Bednar, Department of State Health Services

BACKGROUND: The Health and Safety Code requires hospitals to be licensed by the Department of State Health Services (DSHS), which can issue a license only for the premises and person or governmental unit named in the application.

In 1997, the 75th Legislature enacted SB 422 by Cain, which established a definition of premises permitting a healthcare system with multiple hospital locations to receive a single hospital license for the entire system. Since then, healthcare systems have closed the emergency rooms of one or more of their hospitals in about six instances once the system came under a single license.

DIGEST: CSHB 2471 would amend the Health and Safety Code by repealing the current definition of "premises" and adding new requirements for when DSHS could issue one license for multiple hospitals.

The department could issue a single license if each facility under the license were under the same governing body, chief medical officer, and chief executive officer. Each facility would have to be located within a 30-mile radius of the main address of the license applicant, and all medical staffs of each hospital would have to be integrated. All separate hospital

buildings under the license would have to contain at least one nursing unit for inpatient care, except those housing diagnostic or laboratory services.

Each hospital under the single license would have to comply with emergency services standards based on the designation of the hospital, either a general or special hospital. At the recommendation of the hospital licensing director, a hospital could receive a waiver of the emergency services standard if another hospital under the license complied with the emergency services standards for a general hospital and was in close proximity.

The Health and Human Service Commission would establish rules for waiving the emergency services standard. The rules would require that the waiver facilitate creation or operation of the hospital seeking the waiver and that it be in the best interest of the individuals served by the hospital.

CSHB 2471 would take effect on September 1, 2005, and would apply only to an application for a license submitted on or after the effective date.

**SUPPORTERS
SAY:**

About 60 hospital systems in Texas currently have multiple location sites. With the rise of larger healthcare systems, it was necessary and more efficient to allow these systems to obtain one hospital license for all facilities. CSHB 2471 would preserve the functionality of a single license and ensure that members of the public were not confused about where to obtain emergency services.

When people go to the hospital, they expect to receive basic emergency care. In an emergency situation, it could be life-threatening for a patient to arrive at a hospital only to learn it does not offer emergency services and that the closest emergency room is far away. By waiving the emergency service requirement only for hospitals close to those that do provide the services, the public could get to an emergency room in a timely and dependable manner.

**OPPONENTS
SAY:**

Because some citizens might still be confused about which hospitals offer emergency services, CSHB 2471 should require hospitals with waivers to post conspicuous signs informing the public of the lack of emergency services available at the facility. Otherwise, some individuals still might waste valuable time in an emergency situation. As provided in the original bill, CSHB 2471 also should better define "close geographic proximity" to ensure that a consistent standard was applied to all waiver decisions.

NOTES:

The committee substitute modified the original version by requiring a single chief medical officer for all of the hospitals to be included in the license, rather than a chief medical officer for each hospital included. CSHB 2471 would require each hospital to provide emergency services, but a hospital could receive a waiver if it were in close proximity to a hospital providing emergency services. It would also give the executive commissioner of the Health and Human Services (HHSC) rulemaking authority to implement the waiver provision.