BILL ANALYSIS

Senate Research Center 80R12084 ABC-F

H.B. 2406 By: Hardcastle (Estes) Intergovernmental Relations 5/13/2007 Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current language in the statute relating to the Gainesville Hospital District in Cook County (district) is outdated and lacks instruction on specific issues.

H.B. 2406 updates and modifies current language relating to the board of directors of the district (board). This bill removes references to a temporary and initial board, removes the requirement that a director own property in the district, allows for staggered three-year terms, and provides that elections will be held on the uniform election date in May.

Additionally, this bill provides for the removal of a director for failing to attend a certain amount of meetings, deletes existing text providing that the board president is the CEO of the district, provides that the board administers the hospital system along with the district's funds and resources, and authorizes the use of district funds to pay for the administrator's bond. This bill provides for appointment and dismissal of medical staff members and employment of personnel.

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 4, Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, as follows:

- Sec. 4. (a) Provides that the Gainesville Hospital District (district) is governed by a board of nine directors.
 - (b) Provides that the directors serve staggered three-year terms. Deletes existing text specifying certain persons named as temporary or provisional directors of the district.
 - (c) Creates this subsection from existing text. Requires a regular election for directors to be held on the uniform election date in May of each year to elect the appropriate number of directors, rather than the first Saturday in April. Requires any person desiring the person's name to be printed on the ballot as a candidate for director to file an application, rather than a petition signed by not less than 15 qualified voters asking that such name be printed on the ballot, with the secretary of the board of directors of the district in accordance with Chapter 144 (Candidate for Office of Political Subdivision Other than County or City), Election Code. Requires that notice of an election be published in a newspaper of general circulation in the area of the district in accordance with Section 4.003, Election Code, rather than one time at least 20 days before the election. Deletes existing text requiring the regular election for directors to be ordered by the board, and such order to state the time, place, and purpose of the election, and the board to appoint the presiding judge who shall appoint an assistant judge and such clerks as may be required, and such election to be ordered at least 30 days prior to the date on which it is to be held. Deletes existing text requiring the petition to be filed with such secretary at least 25 days prior to the date of election.

- (d) Creates this subsection from existing text. Deletes existing text relating to the filling of vacancies in office due to an original director not qualifying for office.
- (e) Provides that a director who fails to attend at least four regular meetings in any 12-month period is considered to have resigned the director's position, effective immediately on the date of the fourth absence, and provides that further action is not required by the director or the board to effectuate a vacancy under this subsection. Requires that a vacancy created by a resignation be filled as provided by Subsection (d).
- (f) Creates this subsection from existing text.
- (g) Creates this subsection from existing text. Requires a person to be a resident of the district and a registered voter to be qualified to hold office as a director of the district. Deletes existing text requiring a person to own property inside the district subject to hospital-district taxation to qualify as a director.
- (h) Creates this subsection from existing text. Deletes existing text relating to requirements of the president and the vice-president. Deletes existing text relating to requirements of the creation and maintenance of the district, and of the directors and their successors in office.
- (i) Creates this subsection from existing text. Requires each director, rather than each permanent director, and his successor in office to qualify by executing the constitutional oath of office.
- (j) Creates this subsection from existing text.

SECTION 2. Amends Section 5, Chapter 211, Acts of the 64th Legislature, Regular Session, 1975, as follows:

- Sec. 5. (a) Creates this subsection from existing text. Requires the board of directors to manage, control, and administer the hospital system and the funds and resources of the district, rather than manage, control, and administer hospital facilities to provide medical and hospital care for needy residents.
 - (b) Creates this subsection from existing text. Redesignates the manager of the hospital district as the administer of the hospital district. Authorizes the board to pay for the administrator's performance bond with district funds. Makes conforming changes.
 - (c) Creates this subsection from existing text. Requires the board of directors to have the authority to appoint to or dismiss from the medical staff certain persons as the board determines are necessary for the efficient operation of the hospital district. Deletes existing text requiring the board of directors, with the administrator, to have the authority to admit such doctors or employ technicians, nurses, and other employees of every kind and character as may be deemed necessary for the efficient operation of the hospital district or to provide that the administrator or manager shall have the authority to admit or employ such persons. Requires the board to comply with the due process procedures provided by Section 241.101 (Hospital Authority Concerning Medical Staff), Health and Safety Code, in granting, renewing, modifying, or revoking medical staff privileges.
 - (d) Authorizes the district to employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees. Authorizes the board to delegate to the administrator the authority to employ persons for the district.
 - (e) (g) Creates these subsections from existing text.

SECTION 3. (a) Sets forth certain requirements regarding the May 2008 election of directors.

(b) Sets forth certain requirements regarding the 2009 election of directors.

SECTION 4. Effective date: upon passage or September 1, 2007.