

BILL ANALYSIS

Senate Research Center

S.B. 1107
By: Watson
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Travis County Healthcare District (district) was created in May, 2004. Currently, the district needs statutory changes to ensure that it can meet its financial obligations and operate in a comparable manner to other healthcare districts in Texas.

As proposed, S.B. 1107 authorizes the district to issue revenue anticipation notes, affiliate with other entities, employ physicians, make capital contributions to a regional healthcare entity, and seek voter approval of a tax increase above the rollback rate. S.B. 1107 also clarifies the district's contracting authority, repeals the prohibition on a district-assessed sales and use tax, and creates a proportionate retirement system for City of Austin employees who transfer their employment to the district.

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 61.056, Health and Safety Code, by adding Subsections (c) and (d), as follows:

(c) Authorizes a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003, to affiliate with any person or private entity to provide regional administration and delivery of health care services.

(d) Authorizes a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003, notwithstanding any other law, to fund the administration and delivery of health care services to any individual who is an eligible resident of any entity that is participating in the regional program for purposes of regional administration and delivery of health care services.

SECTION 2. Amends Subchapter C, Chapter 61, Health and Safety Code, by adding Section 61.067, as follows:

Sec. 61.067. SUBROGATION BY CERTAIN HOSPITAL DISTRICTS. (a) Provides that this section applies only to a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Provides that the filing of an application for or receipt of health care services provided or paid by a hospital district constitutes an assignment of the applicant's or recipient's right of recovery from certain sources.

(c) Requires a person who applies for or receives health care services to inform the hospital district at the time of application or at any time during eligibility of any unsettled tort claim that may affect medical needs and of any private accident or sickness insurance coverage that is or may be available. Requires an applicant

or eligible resident to inform the district of any injury that is caused by the act or failure to act of some other person. Requires an applicant or eligible resident to inform the district as required by this subsection not later than the 10th day after the date the person learns of the person's insurance coverage, tort claim, or potential cause of action.

(d) Provides that a claim for damages for personal injury does not constitute grounds for denying or discontinuing services under this chapter.

(e) Creates a separate and distinct cause of action in favor of the hospital district. Authorizes the district to take direct civil action in any court of competent jurisdiction without written consent. Provides that a suit brought under this section need not be ancillary to or dependent on any other action.

(f) Authorizes the district to bring an action as provided in Subsection (e) after 30 days' written notice to the person, applicant, eligible resident, recipient, or such individual's beneficiary or legal representative of the district's intent to bring an action to recover such costs if that person fails to bring an action to recover the cost of services provided or paid by the hospital district before the 91st day after receipt of initial services.

(g) Provides that the hospital district's right of recovery under this section is limited to the amount of the cost of services provided or paid by the district and any costs of court and attorney's fees permitted by law.

(h) Subjects an applicant or eligible resident who knowingly and intentionally fails to disclose the information required by Subsection (c) to denial of services under this chapter following an administrative hearing.

(i) Requires procedures established by a hospital district for administrative hearings under this section to provide for appropriate due process, including procedures for appeals.

SECTION 3. Amends Subchapter B, Chapter 281, Health and Safety Code, by adding Section 281.0285, as follows:

Sec. 281.0285. STAFF FOR CERTAIN DISTRICTS. (a) Provides that this section applies only to a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Authorizes the board of a hospital district described by this section to employ certain persons as the board considers necessary for the efficient operation of the district. Provides that this subsection does not authorize the board to supervise or control the practice of medicine or permit the unauthorized practice of medicine, as prohibited by Subtitle B (Physicians), Title 3, Occupations Code.

SECTION 4. Amends Subchapter C, Chapter 281, Health and Safety Code, by adding Section 281.0513, as follows:

Sec. 281.0513. CONTRACTING AUTHORITY OF CERTAIN DISTRICTS. (a) Provides that this section applies only to a district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Authorizes the board to contract with certain persons to provide or assist in the provision of services.

SECTION 5. Amends Section 281.0565, Health and Safety Code, by adding Subsection (d), as follows:

(d) Authorizes a hospital district created in a certain county to make a capital or other financial contribution to a charitable organization that is formed to provide regional administration and delivery of health care services.

SECTION 6. Amends Subchapter G, Chapter 281, Health and Safety Code, by adding Section 281.124, as follows:

Sec. 281.124. ELECTION TO RAISE NOMINAL TAX RATE IN CERTAIN DISTRICTS. (a) Provides that this section applies only to a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003.

(b) Authorizes a hospital district described in Subsection (a) to hold an election at least 180 days in advance of the date on which the district's tax rate is finally approved in which the district can seek approval from the registered voters of the district to raise the nominal tax rate by a specified dollar amount if that amount results in the tax rate exceeding the rollback tax rate calculated as provided by Chapter 26 (Assessment), Tax Code, which dollar amount must be specified in the proposition. Requires the ballots to be prepared at the election to permit voting for or against the proposition. Requires the ballot proposition to include certain information relating to the tax rate.

(c) Provides that the tax rate for the specified tax year is the rate that is approved by the voters and that rate is not subject to a rollback election under Section 26.07, Tax Code, provided that a majority of the votes cast in the election favor the proposition.

(d) Prohibits the board from adopting the proposed tax rate for the district for the specified tax year if that proposition is not approved as provided by Subsection (c).

(e) Prohibits a body with approval authority over the district's budget or tax rate to disapprove the tax rate approved by the voters or disapprove the budget based solely on the tax rate approved by the voters if the voters approve the proposed tax rate at an election held under this section, notwithstanding any other law.

SECTION 7. Amends Subchapter A, Chapter 803, Government Code, by adding Section 803.004, as follows:

Sec. 803.004. CERTAIN RETIREMENT SYSTEMS. (a) Provides that this section applies only to an employee who meets certain criteria.

(b) Provides that any service credit earned by an employee described by Subsection (a) at the hospital district, charitable organization, or administrative agency will be combined under Section 803.201 to determine whether the employee meets the length-of-service requirements for service retirement under the municipal retirement system.

(c) Provides that an employee described in Subsection (a) will receive a benefit from the municipality as determined under Subchapter D and will receive a benefit from the hospital district, charitable organization, or administrative agency as determined under the terms of the district's, organization's, or agency's retirement plan upon retirement.

SECTION 8. Amends Section 1431.001(2), Government Code, to redefine "eligible countywide district."

SECTION 9. Amends Section 162.001, Occupations Code, by adding Subsections (d) and (e), as follows:

(d) Requires the Texas Medical Board to certify a health organization to contract with or employ physicians licensed by the board under certain circumstances.

(e) Provides that this section applies to a hospital district described by Subsection (d) only in relation to the hospital district's operations as a community or federally qualified health center described by Subsection (d)(2).

SECTION 10. Repealer: Section 281.123 (Sales and Use Tax Prohibited for Certain Districts), Health and Safety Code.

SECTION 11. Makes application of Section 803.004, Government Code, as added by this Act, prospective.

SECTION 12. Makes application of Section 61.067, Health and Safety Code, as added by this Act, prospective.

SECTION 13. Effective date: September 1, 2007