

BILL ANALYSIS

Senate Research Center
86R7123 SCL-D

S.B. 1444
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas is leading the country in rural and community hospital closures. While the numbers are staggering as it would relate to rural and community hospitals closures, nearly all health care providers in these areas are finding un-balanced bargaining positions with the insurance industry. The immediate result of this has been several rural hospital closures. The effect of that result will come in the form of an undeterminable void in a minimum standard of care to the citizens of Texas. In the alternative, hospitals in metropolitan areas, due to volume, enjoy more favorable contract rates. This does not speak to cost, as they are static in both communities. Additionally, there is no current law which allows rural and community hospitals to engage in collaborative efforts to reach the critical mass of volume.

S.B 1444 addresses a much-needed void, considering the concerns of the rural community by amending the Insurance Code to allow health care collaboratives.

S.B. 1444 amends the current law relating to the authority of rural hospitals to establish a health care collaborative.

As proposed, S.B. 1444 amends current law relating to the authority of rural hospitals to establish a health care collaborative.

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 848.001, Insurance Code, by amending Subdivision (2) and adding Subdivision (10) to redefine "health care collaborative" to include rural hospitals and to define "rural hospital."

SECTION 2. Amends Section 848.052, Insurance Code, by adding Subsection (c-1) to require each member of the board of directors of a health care collaborative, if the participants in a health care collaborative are all rural hospitals, to be a representative of a participant.

SECTION 3. Effective date: upon passage or September 1, 2019.