

## **BILL ANALYSIS**

H.B. 3332  
By: Clardy  
Public Health  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that, although many public hospitals desire to operate long-term care facilities as part of the hospital system in order to provide a full continuum of care, conflicting provisions of current law have created confusion with respect to the ability of a hospital district or a hospital authority to own, lease, or operate certain long-term care facilities. The Health and Human Services Commission recently implemented a Nursing Facility Upper Payment Limit Supplemental Payment Program through which certain non-state governmental entities operating a long-term care facility can help increase federal dollars available to long-term care facilities under the Medicaid program without incurring additional state expense. The parties contend that there is a need for statutory changes to clarify the authority of public hospitals to participate in the program. H.B. 3332 seeks to address this need.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 3332 amends the Health and Safety Code to remove the requirement that a hospital project be located in specified areas in Texas, with certain exceptions for a hospital project of a municipality, and to instead authorize a hospital project to be located anywhere in Texas if the location of the project is consistent with the purpose of the hospital project and the project serves a legitimate public purpose of the issuer. The bill includes a nursing facility, assisted living facility, or multiunit senior housing facility among the properties included in the definition of "hospital project." The bill expands the applicability of statutory provisions relating to the authority of certain hospitals, hospital districts, or authorities located in a certain county, a certain rural area, or an area not federally delineated as urbanized to provide for nursing facilities or similar long-term care facilities or services for the care of persons who are elderly or persons with a disability to include any hospital, hospital district, or authority created and operated under provisions of the Texas Constitution governing counties, under a special law, or under statutory provisions relating to health facilities.

H.B. 3332 repeals provisions governing the authority of a municipal hospital authority to provide for nursing facilities or similar long-term care facilities or services for the care of persons who are elderly or persons with a disability. The bill clarifies that a hospital is authorized to lease or enter into an operations or management agreement relating to all or part of a nursing facility or similar long-term care facility or service that is owned by the hospital. The bill removes the

requirement that the bonds issued by a hospital, hospital district, or authority be revenue bonds and authorizes the hospital, hospital district, or authority to issue other obligations, in addition to bonds and other notes, to acquire, construct, or improve a facility for the care of persons who are elderly or persons with a disability. The bill authorizes an applicable facility or service to be located or offered, as applicable, in any location that the governing body of the hospital, hospital district, or authority considers to be in the best interest of the hospital, hospital district, or authority. The bill repeals a provision conditioning the authority of a hospital, hospital district, or authority to issue revenue bonds or other notes to provide for nursing facilities or similar long-term care facilities or services for the care of persons who are elderly or persons with a disability on a private provider of the facility or service being unavailable or inaccessible in the service area of the hospital, hospital district, or authority.

H.B. 3332 repeals the following provisions of the Health and Safety Code:

- Section 262.034
- Section 285.101(d)

**EFFECTIVE DATE**

September 1, 2015.