

BILL ANALYSIS

C.S.H.B. 3954
By: Gonzales, Larry
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note the need for a county health care provider participation program in certain counties bordering a county containing the state capital. C.S.H.B. 3954 seeks to provide for such a program.

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

C.S.H.B. 3954 amends the Health and Safety Code to provide for a county health care provider participation program in a county that is not served by a hospital district or a public hospital, has a population of more than 400,000, and is adjacent to the county containing the state capital. The bill establishes that such a program authorizes a county to collect a mandatory payment from each institutional health care provider located in the county to be deposited in a local provider participation fund established by the county. The bill authorizes money in the fund to be used by the county to fund certain intergovernmental transfers and indigent care programs. The bill authorizes the commissioners court to adopt an order authorizing a county to participate in the program, subject to certain limitations.

C.S.H.B. 3954 sets out the powers and duties of a commissioners court with respect to the county health care provider participation program. The bill provides for an annual public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year. The bill provides for the designation of one or more local banks as the depository for mandatory payments and the creation, composition, and use of a county's local provider participation fund.

C.S.H.B. 3954 provides for the amount, assessment, and collection of mandatory payments under a county health care provider participation program. The bill establishes that interest, penalties, and discounts on mandatory payments are governed by the law applicable to county property taxes. The bill authorizes a county by rule to provide for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services to the extent any provision or procedure under the bill's provisions causes a mandatory payment to be ineligible for federal matching funds.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3954 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 292B to read as follows:

CHAPTER 292B. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM IN CERTAIN COUNTIES BORDERING COUNTY CONTAINING STATE CAPITAL

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 292B.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital licensed under Chapter 241.

(2) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means the county health care provider participation program authorized by this chapter.

Sec. 292B.002. APPLICABILITY.

Sec. 292B.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM.

SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 292B.101. HEARING. (a) Each year, the commissioners court of a county that collects a mandatory payment authorized under this chapter shall hold a public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year and how the revenue derived from those payments is

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 292B to read as follows:

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SUBCHAPTER A. GENERAL PROVISIONS

Sec. 292B.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services.

(2) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means the county health care provider participation program authorized by this chapter.

Sec. 292B.002. APPLICABILITY.

Sec. 292B.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM.

SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 292B.101. HEARING. (a) Each year, the commissioners court of a county that collects a mandatory payment authorized under this chapter shall hold a public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year.

(b) Not later than the fifth day before the

to be spent.

(b) A representative of a paying hospital is entitled to appear at the public hearing and to be heard regarding any matter related to the mandatory payments authorized under this chapter.

Sec. 292B.102. DEPOSITORY. (a) The commissioners court of each county that collects a mandatory payment authorized under this chapter by resolution shall designate one or more banks located in the county as the depository for mandatory payments received by the county. A bank designated as a depository serves for two years or until a successor is designated.

(b) All income received by a county under this chapter, including the revenue from mandatory payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited with the county depository in the county's local provider participation fund and may be withdrawn only as provided by this chapter.

(c) All funds under this chapter shall be secured in the manner provided for securing county funds.

Sec. 292B.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) Each county that collects a mandatory payment authorized under this chapter shall create a local provider participation fund.

(b) The local provider participation fund of a county consists of:

(1) all revenue received by the county attributable to mandatory payments authorized under this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county.

(c) A representative of a paying hospital is entitled to appear at the public hearing and to be heard regarding any matter related to the mandatory payments authorized under this chapter.

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(c) All funds under this chapter shall be secured in the manner provided for securing county funds.

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(b) The local provider participation fund of a county consists of:

(1) all revenue received by the county attributable to mandatory payments authorized under this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.
(c) Money deposited to the local provider participation fund may be used only to:
(1) fund intergovernmental transfers from the county to the state to provide:
(A) the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs;
or
(B) payments to Medicaid managed care organizations that are dedicated for payment to hospitals;
(2) subsidize indigent programs;
(3) pay the administrative expenses of the county solely for activities under this chapter;
(4) refund a portion of a mandatory payment collected in error from a paying hospital; and
(5) refund to paying hospitals the proportionate share of money received by the county from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.
(d) Money in the local provider participation fund may not be commingled with other county funds.
(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the county as a result of an intergovernmental transfer described by that subdivision may not be used by the county or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

SUBCHAPTER D. MANDATORY PAYMENTS

Sec. 292B.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL NET PATIENT REVENUE.

Sec. 292B.152. ASSESSMENT AND COLLECTION OF MANDATORY

(3) the earnings of the fund.
(c) Money deposited to the local provider participation fund may be used only to:
(1) fund intergovernmental transfers from the county to the state to provide:
(A) the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs;
or
(B) payments to Medicaid managed care organizations that are dedicated for payment to hospitals;
(2) subsidize indigent programs;
(3) pay the administrative expenses of the county solely for activities under this chapter;
(4) refund a portion of a mandatory payment collected in error from a paying hospital; and
(5) refund to paying hospitals the proportionate share of money received by the county that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.
(d) Money in the local provider participation fund may not be commingled with other county funds.
(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the county as a result of an intergovernmental transfer described by that subsection may not be used by the county or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

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Sec. 292B.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL NET PATIENT REVENUE.

Sec. 292B.152. ASSESSMENT AND COLLECTION OF MANDATORY

PAYMENTS. (a) Except as provided by Subsection (b), the county tax assessor-collector shall collect the mandatory payment authorized under this chapter. The county tax assessor-collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor-collector's usual and customary charges.

(b) If determined by the commissioners court to be appropriate, the commissioners court may contract for the assessment and collection of mandatory payments in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes.

(c) Revenue from a fee charged by a county tax assessor-collector for collecting the mandatory payment shall be deposited in the county general fund and, if appropriate, shall be reported as fees of the county tax assessor-collector.

Sec. 292B.153. INTEREST, PENALTIES, AND DISCOUNTS.

Sec. 292B.154. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

PAYMENTS.

The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter.

Sec. 292B.153. INTEREST, PENALTIES, AND DISCOUNTS.

Sec. 292B.154. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.