

BILL ANALYSIS

C.S.H.B. 3896
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County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that local health care provider participation programs help create greater flexibility and efficiency for local hospital districts. C.S.H.B. 3896 seeks to provide for such a program for the Bexar County Hospital District.

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. 3896 amends the Health and Safety Code to provide for a Bexar County Hospital District health care provider participation program. The bill authorizes the district's board of hospital managers to authorize the district to participate in the program on the affirmative vote of a majority of the board and sets the bill's provisions and the district's authority to administer and operate the program to expire December 31, 2023. The bill authorizes the board to require a mandatory payment by an institutional health care provider in the district under the program, authorizes the board to adopt rules relating to the administration of the program, provides for certain institutional health care provider reporting, and defines, among other terms, "institutional health care provider" as a nonpublic hospital located in the district that provides inpatient hospital services.

C.S.H.B. 3896 provides for an annual public hearing on the amounts of any mandatory payments that the board intends to require during the year and how the revenue derived from those payments is to be spent. The bill provides for the designation of one or more banks as a depository for the district's local provider participation fund and provides for the creation, composition, and use of the fund.

C.S.H.B. 3896 provides for the amount, assessment, and collection of a mandatory payment. The bill authorizes the board to provide by rule 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, sets out provisions relating to such rules, and conditions the district's assessment and collection of a mandatory payment on an applicable waiver program, uniform rate enhancement, or reimbursement being available to the district.

C.S.H.B. 3896 requires the board, as soon as practicable after the expiration of the district's

authority to administer and operate a health care provider participation program, to transfer to each institutional health care provider in the district that provider's proportionate share of any remaining funds in any local provider participation fund created by the district.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3896 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the purposes for which money deposited to the local provider participation fund of the district may be used to fund intergovernmental transfers from the district to the state to provide the nonfederal share of Medicaid payments by doing the following:

- removing the specification that payments to nonpublic hospitals be uncompensated care payments;
- removing payments to nonpublic hospitals available through the delivery system reform incentive payment program; and
- replacing payments available under a certain waiver program authorizing payments that are substantially similar to Medicaid payments to certain nonpublic hospitals with payments available under a certain waiver program authorizing Medicaid payments to nonpublic hospitals or any payments to Medicaid managed care organizations for the benefit of nonpublic hospitals.

The substitute includes a provision, with respect to a certain intergovernmental transfer of funds made by the district, prohibiting any funds received by the state, district, or other entity as a result of that transfer from being used by the state, district, or any other entity to fund the nonfederal share of payments to nonpublic hospitals available through the Medicaid disproportionate share hospital payment program. The substitute removes a specification that a mandatory payment be annual.