

BILL ANALYSIS

H.B. 3934
By: Frank
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that Texas currently leads the country in rural and community hospital closures, in part caused by low reimbursement rates for the providers of health care in those areas. It is reported that these providers are often at a disadvantage compared to their counterparts in urban areas in negotiating reimbursement rates with health insurers. To help counter this disadvantage, H.B. 3934 seeks to allow rural hospitals to cooperate and form a health care collaborative.

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. 3934 amends the Insurance Code to include among the entities that may constitute a health care collaborative an applicable "rural hospital," defined by the bill as a licensed hospital with 75 beds or fewer that is either located in a county with a population of 50,000 or less or that has been designated by the Centers for Medicare and Medicaid Services as a critical access hospital, rural referral center, or sole community hospital. The bill requires each member of the board of directors of a health care collaborative whose participants are all rural hospitals to be a representative of a participant hospital.

EFFECTIVE DATE

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