

BILL ANALYSIS

C.S.S.B. 2286
By: Fallon
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that every year health care providers around Texas incur uncompensated costs providing care to Medicaid and uninsured patients and that these providers rely heavily on supplemental and enhanced Medicaid payments to offset some of those costs. Concerns have been raised that there may be modifications to the mechanisms by which the nonfederal share of these supplemental and enhanced payments are generated and that these modifications could put funding at risk for certain health care providers, such as those in Wichita County. C.S.S.B. 2286 seeks to provide for the creation of certain health care provider participation programs as an option for certain counties to provide greater security in accessing supplemental funding and ensure continued access to health care.

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.S.B. 2286 amends the Health and Safety Code to provide for a county health care provider participation program in a county that has a population of more than 125,000, borders Oklahoma, and contains a hospital district that is not countywide. The bill establishes its purpose as generating revenue by collecting from institutional health care providers a mandatory payment to be used to provide the nonfederal share of a Medicaid supplemental payment program.

C.S.S.B. 2286 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. Money in the fund may be used by the county to fund certain intergovernmental transfers as provided by the bill. The bill authorizes the commissioners court to adopt an order authorizing a county to participate in the program, subject to certain limitations. The bill defines, among other terms, "institutional health care provider" as a nonpublic hospital that provides inpatient hospital services and that is not located within the boundaries of a hospital district. A county's authority to administer and operate a program expires December 31, 2023.

C.S.S.B. 2286 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 and requires the commissioners court, not later than the fifth day before the date of such a hearing, to publish notice of the hearing in a newspaper of general circulation in the county. The

bill provides for the designation of one or more local banks as the depository for mandatory payments and for the creation, composition, and use of a county's local provider participation fund.

C.S.S.B. 2286 provides for the amount, assessment, and collection of a mandatory payment. 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 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.

C.S.S.B. 2286 requires the commissioners court of a county, as soon as practicable after the expiration of the county's authority to administer and operate a health care provider participation program under the bill's provisions, to transfer to the institutional health care providers in the county a proportionate share of any remaining funds in any local provider participation fund created by the county.

EFFECTIVE DATE

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

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 2286 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute does not include a provision establishing that, if the county to which the bill applies contains a hospital district that is not countywide, the bill applies only with respect to the portion of the county that is not within the boundaries of the hospital district. The substitute includes a provision establishing as a qualification of the county to which the bill applies that the county contain a hospital district that is not countywide.

The substitute includes a provision setting the authority of a county to administer and operate a county health care provider participation program under the bill's provisions to expire December 31, 2023.

The substitute includes a provision prohibiting money deposited to the local provider participation fund from being used to pay for the services of a consultant or a person required to register under statutory provisions relating to lobbyist registration.

The substitute changes the cap on the amount of revenue from mandatory payments that may be used for administrative expenses of the county for activities under the bill's provisions in a year from the lesser of four percent of the total revenue generated from the mandatory payment or \$20,000 to \$20,000, plus the cost of collateralization of deposits. The substitute includes a provision authorizing the county, if the county demonstrates to the paying hospitals that the costs of administering the county health care provider participation program, excluding those costs associated with the collateralization of deposits, exceed \$20,000 in any year, to use, on consent of a majority of the paying hospitals, additional revenue from mandatory payments to compensate the county for its administrative expenses. The substitute includes a provision prohibiting a paying hospital from unreasonably withholding consent to compensate the county for administrative expenses.

The substitute includes a provision requiring the commissioners court of a county, as soon as practicable after the expiration of the county's authority to administer and operate a health care provider participation program under the bill's provisions, to transfer to the institutional health care providers in the county a proportionate share of any remaining funds in any local provider participation fund created by the county.