

SUBJECT: Services for elderly and disabled in certain municipal hospital authorities

COMMITTEE: Human Services — favorable, without amendment

VOTE: 6 ayes — Naishtat, Maxey, Chavez, Christian, J. Davis, Noriega
0 nays
3 absent — Telford, Truitt, Wohlgemuth

WITNESSES: For — Craig Walker, Texas Organization of Rural and Community Hospitals
Against — None
On — Tim Graves, Texas Health Care Association

BACKGROUND: Section 262.033 of the Health and Safety Code enables certain municipal hospital authorities to construct, own, or operate facilities for the elderly and the disabled, including nursing homes or similar long-term care facilities, elderly housing, and facilities for assisted living, home health, special care, personal care, continuing care, and durable medical equipment.

Only hospital authorities in counties with a population of 35,000 or less, or that are located in a rural portion of an extended municipality as defined by the federal census, may provide such services. A hospital authority may not issue revenue bonds or other notes for such facilities if a private provider is available and accessible in the authority's service area.

DIGEST: HB 1459 would increase from 35,000 to 225,000 the maximum population of a county within which a municipal hospital authority would be allowed to provide services for the elderly and disabled.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house.

SUPPORTERS The population of rural areas is becoming increasingly elderly, and HB 1459

SAY: would enable more local hospital authorities to provide a complete continuity of care to meet local needs. While there are more than 200 counties in Texas in the larger population bracket, as a practical matter, the bill would affect only nine hospital authorities, all in small towns.

Current law unnecessarily restricts some municipal hospital authorities from adapting to current trends in care for the elderly and disabled by helping them to live at home through home health care programs or in intermediate care facilities, such as assisted living centers. These alternatives are less costly than traditional nursing homes.

Unlike hospital districts, hospital authorities cannot levy taxes and must depend upon patient revenues. Many small municipal hospitals are experiencing financial problems for a number of reasons, including cutbacks in federal program spending and changing demographics as the population they serve grows more elderly. HB 1459 would help them remain viable by allowing them to offer new services.

Small hospitals are often the only health care provider in rural counties, and nursing homes and assisted living facilities are often far away. Municipal hospital authorities would provide a means of providing needed services closer to home in small towns. The restrictions already in current law would prevent the local hospital authorities added by the bill from competing with private providers in the authorities' service area.

OPPONENTS SAY: Texas already has too many nursing home beds, and HB 1459 could help add to an excess supply of other residential elderly programs, such as assisted living facilities.