

SUBJECT: Certification report date for nonprofit hospitals seeking limited liability

COMMITTEE: Public Health — favorable, without amendment

VOTE: 6 ayes — Delisi, Laubenberg, Dawson, Jackson, Truitt, Zedler
0 nays
3 absent — Coleman, McReynolds, Solis

SENATE VOTE: On final passage, April 14 — 31-0, on Local and Uncontested Calendar

WITNESSES: None

BACKGROUND: Health and Safety Code, sec. 311.0456 grants limited liability for non-economic damages to nonprofit hospitals that meet certain requirements. In order to attain limited liability under this section, the hospital must submit a report to the Department of State Health Services (DSHS) by April 30 of each year. The department must verify by May 31 that the hospital is eligible for limited liability by checking the information in the report against the hospital's annual report of community benefits plan. The limited liability is valid for one year from the time in which the department verifies the report.

DIGEST: SB 1378 would amend sec. 311.0456 to change the due date to apply for limited liability from April 30 of each year to May 31. DSHS would have until December 31 to determine the hospital's eligibility and would be required to determine eligibility by checking the information in the report against the hospital's financial and utilization data report and against the hospital's charity care report. If financial and utilization data reports were not available for all of the hospitals in a particular county, the department could use other sources of verified charity care information to determine the hospital's eligibility for limited liability.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

Hospitals are required to submit a report on charity care to DSHS by May 31 of each year, but are required to submit their limited liability report by April 30 of each year. This results in an unnecessary administrative burden on hospitals as they must prepare reports to be submitted at different times. SB 1378 simply would align the due dates for these reports by changing the due date of the limited liability report from April 30 to May 31.

**OPPONENTS
SAY:**

No apparent opposition.