

SUBJECT: Creating the Cameron County Healthcare District

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 5 ayes — Coleman, Farias, Romero, Spitzer, Wu

0 nays

4 absent — Burrows, Schubert, Stickland, Tinderholt

WITNESSES: For — Daniel Sanchez, Cameron County; Arturo Rodriguez, City of Brownsville; Chris Boswell, City of Harlingen; Julee LaMure, City of South Padre Island; Randolph Whittington, South Texas Medical Foundation; Elena Marin, Su Clinica; Donald Lee, Texas Conference of Urban Counties; (*Registered, but did not testify:* Ramiro Garza, City of Edinburg; Ramon Garcia, Hidalgo County; Richard Glancey, Valley Baptist/Tenet Health)

Against — Jordan Campbell, Cameron County Women’s Republican Club; Jim Barnes, McAllen Tea Party; Joshua Ballenger, North Cameron County Republican Club; Matthew Machner, UT Brownsville College Republicans; (*Registered, but did not testify:* Eva Euler, HC Republican Women; Merrijo Bonds, Hidalgo Tea Party; April Lopez, Lopez Family Clinic; Elizabeth Barnes, McAllen/Hidalgo County Tea Party, and 40 individuals)

BACKGROUND: Cameron County’s relatively low rate of health coverage and lack of a public hospital or hospital district to help meet indigent care needs have caused some to call for the creation of a health care district to provide a vehicle to address some of these needs.

DIGEST: HB 4182 would allow for the creation of the Cameron County Healthcare District and the authorization of a property tax of up to 25 cents per \$100 of taxable property valuation, contingent upon voter approval. The bill would outline the process and requirements for the election, which would be held in the territory of the proposed district.

Formation and duties. The bill would provide for the creation of a board of nine directors to govern the district if voters approved the health care district. It would include provisions detailing the requirements for board appointments, terms of service and election of officers for the board, as well as appointment of a district administrator, assistant district administrator, and attorney. The bill would provide for employee recruitment and benefits as well as the appointment and removal of medical staff.

HB 4182 would specify that the state could not be obligated to support or maintain the district and the Legislature could not make a direct appropriation for the construction, maintenance, or improvement of a district facility. The bill also would provide for the dissolution of the district through the approval of a majority of voters in an election held for that purpose and related allowances and requirements.

The bill would establish district powers and duties, including establishing its responsibility for operating the district's hospital facilities and providing medical and hospital care for the district's needy inhabitants. The district could operate or provide for the operation of a mobile emergency medical service, home health services, long-term care, skilled nursing care and other types of care. The bill would include provisions for management of the district, rule-making, contract operation and management, payments for treatment, the power of eminent domain, and other powers and duties.

Financing. The bill would establish requirements to be met by the board and the district administrator for budget preparation and adoption and other matters related to general financial management and reporting. It would establish the board's ability to issue and sell general obligation bonds in the name and on the faith and credit of the district to be used to purchase, construct, acquire, repair or renovate buildings or for other uses.

HB 4182 also would establish the board's ability to impose a property tax sufficient to pay the principal of and interest on general obligation bonds

at maturity contingent upon the approval of the majority of voters voting in an election called for that purpose. The bill would provide requirements for calling a bond election. It would include provisions on the imposition of a property tax to pay bond debt and the district's maintenance and operating expenses.

On the creation of the Cameron County Healthcare District or as soon as practicable after the district was created, the bill would require that the Cameron County Commissioners Court transfer to the district all operating funds, and any funds held in reserve for operating expenses, that had been budgeted by the county to pay the costs associated with administering a county program to provide to residents of the district indigent health care assistance under Health and Safety Code, ch. 61 during the fiscal year in which the district was created.

This 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, 2015, and the provision authorizing the district to exercise eminent domain would not apply.