

## **BILL ANALYSIS**

Senate Research Center

H.B. 3457  
By: Chisum (Bivins)  
Intergovernmental Relations  
4-28-97  
Engrossed

### **DIGEST**

Hospital districts are set up with very specific rules that must be changed through legislation. The law needs to be amended to make the operations of the Hutchinson County Hospital District and its board the most efficient for the services provided to the specific region. This bill provides new provisions regarding the operation of the Hutchinson County Hospital District.

### **PURPOSE**

As proposed, H.B. 3457 provides new provisions regarding the operation of the Hutchinson County Hospital District.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 4.01(a), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to provide that the Hutchinson County Hospital District (district) is governed by a board of seven directors (board), four of whom are elected and three of whom are appointed by the Commissioners Court of Hutchinson County as prescribed by Section 4.03 of this Act.

SECTION 2. Amends Section 4.03(d), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to require the commissioners court annually, within a certain time period, to appoint the appropriate number of successor directors to serve staggered three-year terms. Deletes a provision prohibiting the commissioners court from appointing a person to serve more than two successive terms.

SECTION 3. Amends Section 4.05(a), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to require a person who wishes to have the person's name printed on the ballot as a candidate for a position as an elected director, in accordance with Chapter 144, Election Code, and to the extent that chapter does not conflict with Article 4 of this Act, to file with the secretary of the board an application signed by the person asking that the person's name be placed on the ballot.

SECTION 4. Amends Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, by adding Section 4.055, as follows:

Sec. 4.055. WRITE-IN VOTING IN ELECTION. Sets forth regulations regarding the use of write-in voting in an election of directors.

SECTION 5. Amends Section 4.12, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, as follows:

Sec. 4.12. New heading: ADMINISTRATORS, ASSISTANT ADMINISTRATORS, AND ATTORNEY. Authorizes the board to appoint qualified persons as administrator of the district, administrator of ancillary health care facilities of the district, assistant administrators, and attorney. Makes conforming changes.

SECTION 6. Amends Section 4.14(b), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make a conforming change.

SECTION 7. Amends Section 4.15, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to require the district administrator to supervise the activities of district facilities and the staff, employees, contractors, and agents of the district. Provides that the district administrator is responsible for the overall management of all district facilities, including ancillary health care facilities. Makes a conforming change.

SECTION 8. Amends Section 5.02, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make conforming changes.

SECTION 9. Amends Section 5.03, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make a conforming change.

SECTION 10. Amends Section 5.04, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make conforming changes.

SECTION 11. Amends Section 5.06, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, as follows:

Sec. 5.06. HOSPITAL AND ANCILLARY HEALTH CARE PROPERTY, FACILITIES, AND EQUIPMENT. Provides that the board has complete discretion to determine the type, number, and location, either inside or outside the district, of facilities required to establish and maintain an adequate hospital system and ancillary health care system and the type of equipment necessary for hospital care and ancillary health care, including certain items. Authorizes the board to acquire by lease, purchase, or lease to purchase property, facilities, supplies, and equipment for the district for use in the hospital system and ancillary health care system, and mortgage or pledge the property, facilities, supplies, or equipment acquired as security for the payment of the purchase price. Authorizes the board, on behalf of the district, to lease or sell all or part of the hospital facilities or ancillary health care facilities. Authorizes the district, on behalf of the district, to lease, sell, or otherwise dispose of all or part of the district's property, facilities, supplies, or equipment to a public or private entity.

SECTION 12. Amends Section 5.07(c), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to provide that Chapter 2253, Government Code, rather than Article 5160, V.T.C.S., applies to construction contracts let by the district.

SECTION 13. Amends Section 5.08, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make conforming changes.

SECTION 14. Amends Sections 5.11(b) and (c), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to require the district to adopt an application procedure to determine eligibility for assistance, as provided by Section 61.053, Health and Safety Code, rather than Section 10.03, Article 4438f, V.T.C.S. Deletes a provision authorizing the administrator of the district to have an inquiry made into the financial circumstances of a patient admitted to a district facility only if the patient resides in the district.

SECTION 15. Amends Sections 5.12(a) and (c), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to authorize the board to contract with this or another state, the federal government, or an agency or political subdivision of this or another state or the federal government to reimburse the district for the care and treatment of a sick, diseased, or injured person. Makes a conforming change.

SECTION 16. Amends Section 5.13, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to authorize the board to contract with certain entities, to provide for the investigatory or welfare needs of persons for whom the public or private entity has an obligation to provide care.

SECTION 17. Amends Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, by

adding Section 5.19, as follows:

Sec. 5.19. JOINT OWNERSHIP ARRANGEMENTS. Sets forth regulations regarding a joint ownership arrangement involving the board.

SECTION 18. Amends Section 6.05(d), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make conforming and nonsubstantive changes.

SECTION 19. Amends Section 6.09(b), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to authorize the board to invest operating, depreciation, or building reserves in funds or securities specified by Chapter 2256, Government Code, or in any other investment vehicle or fund if the board determines that investing the reserves in that vehicle or fund is in the district's best interest and does not violate the Texas Constitution. Deletes a reference to Article 842a-2, V.T.C.S.

SECTION 20. Amends Section 7.01, Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to make conforming changes.

SECTION 21. Amends Sections 7.04(a) and (c), Chapter 77, Acts of the 71st Legislature, Regular Session, 1989, to require bonds to be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, rather than by various sections of Article 4494r, V.T.C.S., for issuance of revenue bonds by county hospital authorities, or in accordance with other laws relating to the issuance of revenue bonds by hospital districts.

SECTION 22. (a) Effective date: immediately, except as provided by Subsection (b) of this SECTION.

(b) Effective date for SECTION 4 of this Act: September 1, 1997.

SECTION 23. Emergency clause.  
Effective date: upon passage.