

## **BILL ANALYSIS**

Senate Research Center

S.B. 1396  
By: Lindsay  
State Affairs  
4-23-97  
Committee Report (Amended)

### **DIGEST**

Currently, it is becoming increasingly difficult for public hospitals to compete in today's health care market due to certain conditions occurring in the managed care industry. These hospitals have traditionally relied heavily on Medicaid revenues and disproportionate share payments to maintain their public health care mission. In today's competitive market, public hospitals are at odds with private hospitals and HMOs when it comes to Medicaid. This bill would exempt the board of directors at a public hospital from any open meetings laws, to allow the board members to discuss rates and services in private.

### **PURPOSE**

As proposed, S.B. 1396 provides an exemption to a public hospital relating to the open meetings law.

### **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 551.085, Government Code, as follows:

Sec. 551.085. GOVERNING BOARD OF MUNICIPAL HOSPITAL, HOSPITAL DISTRICT, OR MUNICIPAL HOSPITAL AUTHORITY. Provides that this chapter does not require the board of directors of a municipal hospital, municipal hospital authority, or hospital district created under general or special law to conduct an open meeting to deliberate certain matters.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

Amendment 1.

Page 1, line 7 strike "Board of Directors" and replace with "Governing Board."

Page 1, lines 20 and 21, insert "before the hospital publicly announces the service or product line."