

## **BILL ANALYSIS**

Senate Research Center  
76R10142 KLA-F

H.B. 3122  
By: Chisum (Bivins)  
Intergovernmental Relations  
5/3/1999  
Engrossed

### **DIGEST**

Currently, the law does not make specific reference to the ability of the Dallam-Hartley Counties Hospital District (district) to participate in certain contemporary health care delivery systems, such as health maintenance organizations, preferred provider organizations, and other managed health care delivery structures. H.B. 3122 would authorize the district to contract with, affiliate with, or have ownership interest in these entities, and create or participate in other nonprofit corporations for the purpose of delivering health care services.

### **PURPOSE**

As proposed, H.B. 3122 regulates the powers, duties, and operations of the Dallam-Hartley Counties 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, Chapter 128, Acts of the 66th Legislature, Regular Session, 1979, by adding Subsections (d) and (e), to authorize the Dallam-Hartley Counties Hospital District (district) to contract with other organizations to jointly administer or deliver health care services. Authorize the district to spend district funds to establish, maintain, and have an ownership interest in partnerships, corporations, or other entities involved in the delivery of health care services. Authorizes the district to sponsor, create, and have a membership interest in a nonstock corporation under the Texas Non-Profit Corporation Act and to contribute funds to or solicit funds for the corporation. Authorizes the corporation to use funds other than funds paid by the corporation to the district, only to provide health care or other services the district may provide under this Act. Requires the board of directors of the hospital district (board) to establish adequate controls to ensure that the corporation uses its funds as required by this subsection. Authorizes the corporation to invest corporation funds in any manner in which the district may invest funds, including investing funds as authorized by Chapter 2256, Government Code.

SECTION 2. Amends Section 8(b), Chapter 128, Acts of the 66th Legislature, Regular Session, 1979, to authorize contracts for construction involving the expenditure of the amount specified by Section 271.024, Local Government Code, rather more than \$10,000, to be made only after advertising in the manner provided by Chapter 271, Local Government Code. Provides that provisions of Chapter 2253, Government Code, rather than Article 5160, V.T.C.S., relating to performance and payment bonds apply to construction contracts let by the district. Authorizes the board to pledge the revenues from the property, facilities supplies, or equipment as security for the payment of the purchase price.

SECTION 3. Emergency clause.

Effective date: upon passage.