

BILL ANALYSIS

Senate Research Center

S.B. 1526
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Intergovernmental Relations
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DIGEST

Currently, Texas law does not specifically reference its ability to participate in contemporary health care delivery models and structures that take the form of health maintenance organizations (HMO's), preferred provider organizations, and the like. S.B. 1526 would allow certain districts to create or participate in non-profit corporations for the purpose of delivering health care services.

PURPOSE

As proposed, S.B. 1526 establishes provisions regarding health care insurance in 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 Chapter 128, Section 4, 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, affiliate with, or enter into an arrangement with certain health care organizations and systems relating to the administration or delivery of health care services. Authorizes the district to spend district funds to establish, maintain, and have ownership 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 and may contribute funds to or solicit funds for the corporation. Authorizes the corporation to use certain funds only to provide health care or other services the district may provide. Requires the board of directors of the district to establish adequate controls to ensure that the corporation uses its funds as required. Authorizes the corporation to invest corporation funds in any manner in which the district may invest certain funds.

SECTION 2. Amends Chapter 128, Section 8(b), Acts of the 66th Legislature, Regular Session, 1979, to authorize contracts for construction involving the expenditure of more than the amount specified in Section 271.024, Local Government Code, rather than \$10,000, to be made only after advertising in a certain manner. Provides that the provisions of Chapter 2253, Texas Government Code, rather than Article 5160, Revised Civil Statutes of Texas, 1925, relating to performance and repayment bonds shall apply to construction contracts let by the district. Authorizes the board to lease, purchase, or lease to purchase certain entities, and may pledge the revenues therefrom as a security for the payment of the purchase price.

SECTION 3. Emergency clause.
Effective date: upon passage.