

BILL ANALYSIS

Senate Research Center
78R5634 CLG-F

S.B. 1730
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Health & Human Services
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DIGEST AND PURPOSE

Federal law provides for additional financial assistance under the Medicaid program to hospitals that care for large numbers of low income patients with special needs. The federal government, through the U.S. Department of Health and Human Services, provides federal matching funds to states to provide payments to hospitals under the Medicaid Disproportionate Share Hospital Program (DSH). The Texas DSH program provides funds to both public and private hospitals that meet certain criteria established by the Texas Health and Human Services Commission pursuant to federal guidelines. Urban hospitals in Texas are expending voluminous resources on providing uncompensated emergency and inpatient care. Pursuant to state law, counties and hospital districts are required to provide the indigent care for patients located within their counties or hospital districts. However, many county and hospital district facilities are overcrowded and are unable to fulfill their obligations. As proposed, S.B. 1730 increases payments to urban hospitals which provide services to a high percentage of Medicaid and indigent patients to provide those hospitals with much needed financial assistance and to acknowledge the important benefit these hospitals are providing to patients, counties, and hospital districts.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 32B, Human Resources Code, by adding Section 32.02805, as follows:

Sec. 32.02805. REIMBURSEMENTS UNDER DISPROPORTIONATE SHARE PROGRAM. (a) Defines “qualifying hospital.”

(b) Requires the Health and Human Services Commission, in its rules prescribing the method and procedures for the reimbursement of a qualifying hospital under the disproportionate share program, to provide for a weight factor of 1.5 for a qualifying hospital that meets certain criteria.

SECTION 2. Requires an agency to seek a waiver or authorization from a federal agency if necessary for implementation of the Act.

SECTION 3. Effective date: September 1, 2003.