

BILL ANALYSIS

Senate Research Center
78R9404 EMT-D

S.B. 1905
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Intergovernmental Relations
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As Filed

DIGEST AND PURPOSE

Currently, Travis County provides publicly-supported health care for residents of that county, as well as for several surrounding counties. Rising health care costs, Central Texas' increasing population, and the strain on local jurisdictions' finances caused by current national economic conditions have combined to create a crisis in the region's health care delivery system. As proposed, S.B. 1905 provides for the transfer of a municipally-owned hospital and other health care related assets to a countywide hospital district created by the voting public. Additionally, the bill sets forth ballot proposition language, and establishes the membership and terms of the district's governing board.

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 Section 281.002, Health and Safety Code, by adding Subsection (c) to authorize a county with at least 190,000 inhabitants that has within its boundaries a municipality that owns and operates a hospital or hospital system for indigent or needy persons to create a countywide hospital district and take over the hospital or hospital system to furnish medical aid and hospital care to indigent and needy persons residing in the district.

SECTION 2. Amends Section 281.004, Health and Safety Code, as follows:

(a) Requires a ballot for an election to include the proposition: "The creation of a hospital district and the levy of a tax not to exceed _____ (insert the amount prescribed by the petition, not to exceed 75 cents) on each \$100 of the taxable value of property taxable by the district."

(b) Requires a ballot for an election, if the county or a municipality in the county has any outstanding bonds issued for hospital purposes, to include the proposition: "The creation of a hospital district and the levy of a tax not to exceed _____ (insert the amount prescribed by the petition, not to exceed 75 cents) on each \$100 of the taxable value of property taxable by the district, and the assumption by the district of all outstanding bonds previously issued for hospital purposes by _____ County and by any municipality in the county."

SECTION 3. Amends Section 281.021, Health and Safety Code, by adding Subsection (d) to require the district, if a district is created under this chapter in Travis County, to be governed by a nine-member board of hospital managers, appointed by specific criteria.

SECTION 4. Amends Section 281.022, Health and Safety Code, by adding Subsection (c) to provide that the members of a board of hospital managers appointed under Section 281.021(d) serve staggered four-year terms, with as near as possible to one-fourth of the members' terms expiring each year. Provides the terms of appointment.

SECTION 5. Amends Section 281.041, Health and Safety Code, by amending Subsections (a) and (b) and adding Subsections (e) and (f), as follows:

(a) Makes a conforming change. Adds new language to existing text relating to a municipality owning or operating a hospital or hospital system.

(b) Makes a conforming change.

(e) Provides that a county or municipality transferring property or funds under this section is not required to transfer to the district certain properties.

(f) Provides that a transfer of an asset under this section, including a federally qualified health center, that would violate federal or state law unless a waiver or other authorization or approval is granted by federal or state agency may not occur until the required waiver, authorization, or approval is obtained. Provides that a facility designated as a federally qualified health center under 42 U.S.C. Section 1396d(1)(2)(B), as amended, may not be transferred to the district until the district board has confirmed that the transfer will not jeopardize the federal designation of that facility.

SECTION 6. Amends Section 281.043, Health and Safety Code, to provide that on the creation of the district, the district assumes, without prejudice to the rights of third parties, any outstanding contract obligations legally incurred by the county or municipality, or both, for the construction, support, maintenance, or operation of hospital facilities and the provision of health care services or hospital care, including mental health care, to indigent residents of the county or municipality before the creation of the district.

SECTION 7. Effective date: upon passage or September 1, 2003.