

BILL ANALYSIS

Senate Research Center
79R18117 KEG-D

H.B. 2463
By: Villarreal (Janek)
International Relations & Trade
5/19/2005
Committee Report (Amended)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Medicaid programs are funded through a state or local government share combined with matching funds from the federal government. In Texas, the federal government provides approximately \$1.56 for every \$1 of state or local tax revenue used in the Medicaid program. Over the past few years, local government entities have been working with health care providers to supply the local funding necessary to draw the additional federal funds Texas providers are currently entitled to receive for providing services to the Medicaid and uninsured population.

One option for generating local funds eligible for federal matching is through a provider-based tax levied on a defined class of health care services in a locality, such as all hospital outpatient services within a particular county.

H.B. 2463 implements this approach through a special purpose district known as a Healthcare funding district (district) that would levy the tax. Once implemented at the state level, the entire funding mechanism must receive federal approval.

This district would take the funds generated through a local tax and transfer them to the comptroller of public accounts who, in turn, certifies them for the federal match. These local and federal matching funds are then paid by the Texas Health and Human Services Commission (HHSC) to the qualifying health care providers in the community from which the funds originated, consistent with the particular Medicaid program rules.

In the four counties to which H.B. 2463 may apply, hospitals have agreed to the creation of the special purpose district which would assist them to bring in additional federal Medicaid dollars. The creation of these four districts could result in \$70 million in new Medicaid funds to hospitals in these counties for the 2005 fiscal year.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commission of a county health care funding district in SECTION 1 (Section 288.104, 289.104, and 290.104, Health and Safety Code) of this bill.

Rulemaking authority is expressly granted to a county health care funding district in Committee Amendment No. 1 (Sections 288.205, 289.205, and 290.205, Health and Safety Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle D, Title 4, Health and Safety Code, by adding Chapters 288, 289, and 290, as follows:

CHAPTER 288. HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES
LOCATED ON TEXAS-MEXICO BORDER THAT ARE ADJACENT TO COUNTIES WITH
POPULATION OF 50,000 OR MORE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 288.001. DEFINITIONS. Defines "commission," "district," "district taxpayer," and "institutional health care provider."

Sec. 288.002. CREATION OF DISTRICT. Provides that a county health care funding district (district) is created in each county located on the Texas-Mexico border that has a population of 500,000 or more and is adjacent to two or more counties each of which has a population of 50,000 or more.

Sec. 288.003. DURATION OF DISTRICT. Provides that unless continued in existence by the legislature, a district created by this chapter is abolished September 1, 2007. Requires any money held by a district at the time the district is abolished to be used to pay any outstanding administrative expenses of the district, and requires the commission of a district (commission) to direct the secretary of the commission to return the pro rata share of any remaining district money to each district taxpayer.

Sec. 288.004. POLITICAL SUBDIVISION. Provides that a district created by this chapter is a political subdivision of this state.

Sec. 288.005. DISTRICT TERRITORY. Provides that the boundaries of each district are coextensive with the boundaries of the county in which the district is created.

[Reserves Sections 288.006-288.050 for expansion.]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 288.051. COMMISSION; APPOINTMENT. Provides that each district is governed by a commission of five members appointed as provided by this section. Requires each county commissioner on the commissioners court of the county in which the district is located to appoint one member who meets the qualifications prescribed by Section 288.052 to serve on the commission. Requires the county judge of the county to appoint any remaining members who meet the qualifications prescribed by Section 288.052 to serve on the commission.

Sec. 288.052. QUALIFICATION OF MEMBERS OF COMMISSION. Sets forth eligibility requirements for members of the commission.

Sec. 288.053. TERM OF MEMBERS OF COMMISSION. Provides that the members of the commission serve staggered two-year terms.

Sec. 288.054. VACANCY. Sets forth procedures to fill vacancies on the commission.

Sec. 288.055. OFFICERS. Requires each commission to elect a chairperson and a secretary from among its members. Requires the chairperson and secretary to each serve in that office until the expiration of their term as a member of the commission.

Sec. 288.056. COMPENSATION; EXPENSES. Provides that a member of the commission serves without compensation but may, on the approval of the entire commission, be reimbursed for actual expenses incurred in the performance of the member's official duties.

Sec. 288.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. Authorizes the commission to employ an attorney, financial advisor, and bookkeeper for the district or contract for those services.

Sec. 288.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Sets forth requirements for maintaining all district records, except as otherwise provided by law.

[Reserves Sections 288.059-288.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 288.101. LIMITATION ON TAXING AUTHORITY. Authorizes each district to impose taxes only in the manner provided by this chapter.

Sec. 288.102. MAJORITY VOTE REQUIRED. (a) Prohibits a district from imposing any tax authorized by this chapter, spending any money, including for the administrative expenses of the district, or conducting any other business of the commission without an affirmative vote of a majority of the members of the commission.

(b) Requires the commission to obtain the affirmative vote required by Subsection (a) before imposing a tax under this chapter in any one year.

Sec. 288.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES. (a) Prohibits a district from spending any money of the district unless the district receives the approval of at least 95 percent of the district taxpayers, in addition to the majority vote required under Section 288.102.

(b) Provides that this section does not apply to expenditures related to the administrative matters of the district.

Sec. 288.104. RULES AND PROCEDURES. (a) Authorizes the commission to adopt rules governing the operation of the district, including rules relating to the administration of a tax authorized by this chapter.

(b) Requires the commission to adopt any necessary procedures in order to implement the requirements of Sections 288.102 and 288.103,

Sec. 288.105. PURCHASING AND ACCOUNTING PROCEDURES. Authorizes the commission to prescribe the method and manner for making purchases and expenditures by the district and requires the commission to prescribe specific procedures and methods for purchasing and accounting.

Sec. 288.106. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) Requires a district to require an institutional health care provider to submit to the district a copy of any financial and utilization data required by and reported to the Department of State Health Services (DSHS) under Sections 311.032 and 311.033 and any rules adopted by DSHS to implement those sections.

(b) Authorizes a district to inspect the records of an institutional health care provider to the extent necessary to ensure that the provider has submitted all required data under this section.

Sec. 288.107. AUTHORITY TO SUE AND BE SUED. Authorizes each district to sue and be sued in its own name in any court of this state as a governmental agency.

[Reserves Sections 288.108-288.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 288.151. BUDGET. Sets forth requirements for the content of the budget and the public hearing for the proposed budget. Entitles any district taxpayer to appear at the time and place designated in the public notice and to be heard regarding any item shown in the proposed budget.

Sec. 288.152. FISCAL YEAR. Provides that each district's fiscal year begins on September 1 and ends on August 31 of each year.

Sec. 288.153. ANNUAL AUDIT. Requires each commission to have an independent audit made of the district's books and records for each fiscal year. Requires the audit made for a district to be filed with the comptroller and at the office of the district not later than December 31 of each year.

Sec. 288.154. DEPOSITORY. (a) Requires each commission, by resolution, to designate one or more banks located in the district as the depository for the district.

Provides that a bank designated as depository serves for two years or until a successor is designated.

(b) Requires all income received by a district, including tax revenue after deducting discounts and fees for assessing and collecting the taxes, to be deposited with the district depository and authorizes it to be withdrawn only as provided by this chapter.

(c) Requires all district funds to be secured in the manner provided for securing county funds.

[Reserves Sections 288.155-288.200 for expansion.]

SUBCHAPTER E. TAXES

Sec. 288.201. TAX ON OUTPATIENT HOSPITAL SERVICES. Authorizes the commission to impose an annual tax on all outpatient hospital visits to an institutional health care provider located in the district. Sets forth requirements, exemptions, and prohibitions for establishing and maintaining the tax.

Sec. 288.202. ASSESSMENT AND COLLECTION OF TAXES. Sets forth requirements for the county tax assessor-collector to collect a tax imposed under this chapter. Authorizes the commission, upon having been determined appropriate, to contract for the assessment and collection of taxes in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes. Requires revenue from a fee charged by a county tax assessor-collector for collecting the tax to be deposited in the county general fund and, if appropriate, to be reported as fees of the county tax assessor-collector.

Sec. 288.203. USE OF TAX REVENUE. Sets forth authorized uses for revenue generated by a district from a tax imposed under this subchapter.

Sec. 288.204. INTEREST, PENALTIES, AND DISCOUNTS. Provides that interest, penalties, and discounts on taxes imposed under this subchapter are governed by the law applicable to county ad valorem taxes.

CHAPTER 289. COUNTY HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES LOCATED ON TEXAS-MEXICO BORDER THAT HAVE POPULATION OF LESS THAN 200,000

Sec. 289.001. DEFINITIONS. Defines "commission," "district," "district taxpayer," and "institutional health care provider."

Sec. 289.002. CREATION OF DISTRICT. Provides that a county health care funding district (district) is created in each county located on the Texas-Mexico border that has a population of less than 200,000 and contains one or more municipalities with a population of 100,000 or more.

Sec. 289.003. DURATION OF DISTRICT. Provides that unless continued in existence by the legislature, a district created by this chapter is abolished September 1, 2007. Requires any money held by a district at the time the district is abolished to be used to pay any outstanding administrative expenses of the district, and the requires the commission of a district (commission) to direct the secretary of the commission to return the pro rata share of any remaining district money to each district taxpayer.

Sec. 289.004. POLITICAL SUBDIVISION. Provides that a district created by this chapter is a political subdivision of this state.

Sec. 289.005. DISTRICT TERRITORY. Provides that the boundaries of each district are coextensive with the boundaries of the county in which the district is created.

[Reserves Sections 289.006-289.050 for expansion.]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 289.051. COMMISSION; APPOINTMENT. Provides that each district is governed by a commission of five members appointed as provided by this section. Requires each county commissioner on the commissioners court of the county in which the district is located to appoint one member who meets the qualifications prescribed by Section 289.052 to serve on the commission. Requires the county judge of the county to appoint any remaining members who meet the qualifications prescribed by Section 289.052 to serve on the commission.

Sec. 289.052. QUALIFICATION OF MEMBERS OF COMMISSION. Sets forth eligibility requirements for members of the commission.

Sec. 289.053. TERM OF MEMBERS OF COMMISSION. Provides that the members of the commission serve staggered two-year terms.

Sec. 289.054. VACANCY. Sets forth procedures to fill vacancies on the commission.

Sec. 289.055. OFFICERS. Requires each commission to elect a chairperson and a secretary from among its members. Requires the chairperson and secretary to each serve in that office until the expiration of their term as a member of the commission.

Sec. 289.056. COMPENSATION; EXPENSES. Provides that a member of the commission serves without compensation but may, on the approval of the entire commission, be reimbursed for actual expenses incurred in the performance of the member's official duties.

Sec. 289.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. Authorizes the commission to employ an attorney, financial advisor, and bookkeeper for the district or contract for those services.

Sec. 289.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Sets forth requirements for maintaining all district records, except as otherwise provided by law.

[Reserves Sections 289.059-289.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 289.101. LIMITATION ON TAXING AUTHORITY. Authorizes each district to impose taxes only in the manner provided by this chapter.

Sec. 289.102. MAJORITY VOTE REQUIRED. (a) Prohibits a district from imposing any tax authorized by this chapter, spending any money, including for the administrative expenses of the district, or conducting any other business of the commission without an affirmative vote of a majority of the members of the commission.

(b) Requires the commission to obtain the affirmative vote required by Subsection (a) before imposing a tax under this chapter in any one year.

Sec. 289.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES. (a) Prohibits a district from spending any money of the district unless the district receives the approval of at least 95 percent of the district taxpayers, in addition to the majority vote required under Section 289.102.

(b) Provides that this section does not apply to expenditures related to the administrative matters of the district.

Sec. 289.104. RULES AND PROCEDURES. (a) Authorizes the commission to adopt rules governing the operation of the district, including rules relating to the administration of a tax authorized by this chapter.

(b) Requires the commission to adopt any necessary procedures in order to implement the requirements of Sections 289.102 and 289.103,

Sec. 289.105. PURCHASING AND ACCOUNTING PROCEDURES. Authorizes the commission to prescribe the method and manner for making purchases and expenditures by the district and requires the commission to prescribe specific procedures and methods for purchasing and accounting.

Sec. 289.106. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) Requires a district to require an institutional health care provider to submit to the district a copy of any financial and utilization data required by and reported to DSHS under Sections 311.032 and 311.033 and any rules adopted by DSHS to implement those sections.

(b) Authorizes a district to inspect the records of an institutional health care provider to the extent necessary to ensure that the provider has submitted all required data under this section.

Sec. 289.107. AUTHORITY TO SUE AND BE SUED. Authorizes each district to sue and be sued in its own name in any court of this state as a governmental agency.

[Reserves Sections 289.108-289.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 289.151. BUDGET. Sets forth requirements for the content of the budget and the public hearing for the proposed budget. Entitles any district taxpayer to appear at the time and place designated in the public notice and to be heard regarding any item shown in the proposed budget.

Sec. 289.152. FISCAL YEAR. Provides that each district's fiscal year begins on September 1 and ends on August 31 of each year.

Sec. 289.153. ANNUAL AUDIT. Requires each commission to have an independent audit made of the district's books and records for each fiscal year. Requires the audit made for a district to be filed with the comptroller and at the office of the district not later than December 31 of each year.

Sec. 289.154. DEPOSITORY. (a) Requires each commission, by resolution, to designate one or more banks located in the district as the depository for the district. Provides that a bank designated as depository serves for two years or until a successor is designated.

(b) Requires all income received by a district, including tax revenue after deducting discounts and fees for assessing and collecting the taxes, to be deposited with the district depository and authorizes it to be withdrawn only as provided by this chapter.

(c) Requires all district funds to be secured in the manner provided for securing county funds.

[Reserves Sections 289.155-289.200 for expansion.]

SUBCHAPTER E. TAXES

Sec. 289.201. TAX ON OUTPATIENT SERVICES. Authorizes the commission to impose an annual tax on all outpatient hospital visits to an institutional health care

provider located in the district. Sets forth requirements, exemptions, and prohibitions for establishing and maintaining the tax.

Sec. 289.202. ASSESSMENT AND COLLECTION OF TAXES. Sets forth requirements for the county tax assessor-collector to collect a tax imposed under this chapter. Authorizes the commission, upon having been determined appropriate, to contract for the assessment and collection of taxes in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes. Requires revenue from a fee charged by a county tax assessor-collector for collecting the tax to be deposited in the county general fund and, if appropriate, to be reported as fees of the county tax assessor-collector.

Sec. 289.203. USE OF TAX REVENUE. Sets forth authorized uses for revenue generated by a district from a tax imposed under this subchapter.

Sec. 289.204. INTEREST, PENALTIES, AND DISCOUNTS. Provides that interest, penalties, and discounts on taxes imposed under this subchapter are governed by the law applicable to county ad valorem taxes.

CHAPTER 290. COUNTY HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES WITH POPULATION OF 1.4 MILLION OR LESS

Sec. 290.001. DEFINITIONS. Defines "commission," "district," "district taxpayer," and "institutional health care provider."

Sec. 290.002. CREATION OF DISTRICT. Provides that a county health care funding district (district) is created in each county that has a population of 1.4 million or less and in which a municipality with a population of 1.1 million or more is predominantly located.

Sec. 290.003. DURATION OF DISTRICT. Provides that unless continued in existence by the legislature, a district created by this chapter is abolished September 1, 2007. Requires any money held by a district at the time the district is abolished to be used to pay any outstanding administrative expenses of the district, and the requires the commission of a district (commission) to direct the secretary of the commission to return the pro rata share of any remaining district money to each district taxpayer.

Sec. 290.004. POLITICAL SUBDIVISION. Provides that a district created by this chapter is a political subdivision of this state.

Sec. 290.005. DISTRICT TERRITORY. Provides that the boundaries of each district are coextensive with the boundaries of the county in which the district is created.

[Reserves Sections 290.006-290.050 for expansion.]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 290.051. COMMISSION; APPOINTMENT. Provides that each district is governed by a commission of five members appointed as provided by this section. Requires each county commissioner on the commissioners court of the county in which the district is located to appoint one member who meets the qualifications prescribed by Section 290.052 to serve on the commission. Requires the county judge of the county to appoint any remaining members who meet the qualifications prescribed by Section 290.052 to serve on the commission.

Sec. 290.052. QUALIFICATION OF MEMBERS OF COMMISSION. Sets forth eligibility requirements for members of the commission.

Sec. 290.053. TERM OF MEMBERS OF COMMISSION. Provides that the members of the commission serve staggered two-year terms.

Sec. 290.054. VACANCY. Sets forth procedures to fill vacancies on the commission.

Sec. 290.055. OFFICERS. Requires each commission to elect a chairperson and a secretary from among its members. Requires the chairperson and secretary to each serve in that office until the expiration of their term as a member of the commission.

Sec. 290.056. COMPENSATION; EXPENSES. Provides that a member of the commission serves without compensation but may, on the approval of the entire commission, be reimbursed for actual expenses incurred in the performance of the member's official duties.

Sec. 290.057. EMPLOYEES AND INDEPENDENT CONTRACTORS. Authorizes the commission to employ an attorney, financial advisor, and bookkeeper for the district or contract for those services.

Sec. 290.058. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. Sets forth requirements for maintaining all district records, except as otherwise provided by law.

[Reserves Sections 290.059-290.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 290.101. LIMITATION ON TAXING AUTHORITY. Authorizes each district to impose taxes only in the manner provided by this chapter.

Sec. 290.102. MAJORITY VOTE REQUIRED. (a) Prohibits a district from imposing any tax authorized by this chapter, spend any money, including for the administrative expenses of the district, or conduct any other business of the commission without an affirmative vote of a majority of the members of the commission.

(b) Requires the commission to obtain the affirmative vote required by Subsection (a), before imposing a tax under this chapter in any one year.

Sec. 290.103. ELECTION REQUIRED FOR CERTAIN EXPENDITURES. (a) Prohibits a district from spending any money of the district unless the district receives the approval of at least 95 percent of the district taxpayers, in addition to the majority vote required under Section 290.102.

(b) Provides that this section does not apply to expenditures related to the administrative matters of the district.

Sec. 290.104. RULES AND PROCEDURES. (a) Authorizes the commission to adopt rules governing the operation of the district, including rules relating to the administration of a tax authorized by this chapter.

(b) Requires the commission to adopt any necessary procedures in order to implement the requirements of Sections 290.102 and 290.103,

Sec. 290.105. PURCHASING AND ACCOUNTING PROCEDURES. Authorizes the commission to prescribe the method and manner for making purchases and expenditures by the district and requires the commission to prescribe specific procedures and methods for purchasing and accounting.

Sec. 290.106. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) Requires a district to require an institutional health care provider to submit to the district a copy of any financial and utilization data required by and reported to DSHS under Sections 311.032 and 311.033 and any rules adopted by DSHS to implement those sections.

(b) Authorizes a district to inspect the records of an institutional health care provider to the extent necessary to ensure that the provider has submitted all required data under this section.

Sec. 290.107. **AUTHORITY TO SUE AND BE SUED.** Authorizes each district to sue and be sued in its own name in any court of this state as a governmental agency.

[Reserves Sections 290.108-290.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 290.151. **BUDGET.** Sets forth requirements for the content of the budget and the public hearing for the proposed budget. Entitles any district taxpayer to appear at the time and place designated in the public notice and to be heard regarding any item shown in the proposed budget.

Sec. 290.152. **FISCAL YEAR.** Provides that each district's fiscal year begins on September 1 and ends on August 31 of each year.

Sec. 290.153. **ANNUAL AUDIT.** Requires each commission to have an independent audit made of the district's books and records for each fiscal year. Requires the audit made for a district to be filed with the comptroller and at the office of the district not later than December 31 of each year.

Sec. 290.154. **DEPOSITORY.** (a) Requires each commission, by resolution, to designate one or more banks located in the district as the depository for the district. Provides that a bank designated as depository serves for two years or until a successor is designated.

(b) Requires all income received by a district, including tax revenue after deducting discounts and fees for assessing and collecting the taxes, to be deposited with the district depository and may be withdrawn only as provided by this chapter.

(c) Requires all district funds to be secured in the manner provided for securing county funds.

[Reserves Sections 290.155-290.200 for expansion.]

SUBCHAPTER E. TAXES

Sec. 290.201. **TAX ON EMERGENCY ROOM SERVICES.** Authorizes the commission to impose an annual tax on all emergency room visits to an institutional health care provider located in the district. Sets forth requirements, exemptions, and prohibitions for establishing and maintaining the tax.

Sec. 290.202. **ASSESSMENT AND COLLECTION OF TAXES.** Sets forth requirements for the county tax assessor-collector to collect a tax imposed under this chapter. Authorizes the commission, upon having been determined appropriate, to contract for the assessment and collection of taxes in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes. Requires revenue from a fee charged by a county tax assessor-collector for collecting the tax to be deposited in the county general fund and, if appropriate, to be reported as fees of the county tax assessor-collector.

Sec. 290.203. **USE OF TAX REVENUE.** Sets forth authorized uses for revenue generated by a district from a tax imposed under this subchapter.

Sec. 290.204. **INTEREST, PENALTIES, AND DISCOUNTS.** Provides that interest, penalties, and discounts on taxes imposed under this subchapter are governed by the law applicable to county ad valorem taxes.

SECTION 2. (a) Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.0316, as follows:

Sec. 531.0316. MEDICAID HEALTH LITERACY PILOT PROGRAM. (a) Requires the Health and Human Services Commission (commission) to develop and implement a Medicaid health literacy pilot program in Bexar County under which Medicaid recipients with young children receive health information materials and training designed to improve their health care decision-making, in order to prevent unnecessary emergency room visits and health costs for Medicaid recipients.

(b) Sets forth requirements for the pilot program.

(c) Requires the commission to establish the pilot program through a local governmental entity in Bexar County that chooses to participate. Requires the commission to request participation by the Bexar County Hospital District with the hospital district's subsidiary, Community First Health Plans.

(d) Requires the commission to ensure that the pilot program is financed using specific funds.

(e) Authorizes the participating local governmental entity to provide money to the commission by certification or intergovernmental transfer to finance the pilot program as described by Subsection (d)(1).

(f) Requires the commission to evaluate the pilot program and report to the 80th Legislature on the effectiveness of the program and the feasibility of expanding the program statewide not later than January 1, 2007.

(g) Provides that this section expires September 1, 2009.

(b) Requires the agency affected by the provision to request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted, if before implementing any provision of this section a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision.

SECTION 3. (a) Provides that not later than October 1, 2005:

(1) the commissioners court of each county to which Chapter 288, Health and Safety Code, as added by this Act, applies shall each appoint the initial members of a commission in accordance with Section 288.051, Health and Safety Code, as added by this Act, for a county health care funding district created by Chapter 288, Health and Safety Code, as added by this Act, in that county;

(2) the commissioners court of each county to which Chapter 289, Health and Safety Code, as added by this Act, applies shall each appoint the initial members of a commission in accordance with Section 289.051, Health and Safety Code, as added by this Act, for a county health care funding district created by Chapter 289, Health and Safety Code, as added by this Act, in that county; and

(3) the commissioners court of each county to which Chapter 290, Health and Safety Code, as added by this Act, applies shall each appoint the initial members of a commission in accordance with Section 290.051, Health and Safety Code, as added by this Act, for a county health care funding district created by Chapter 290, Health and Safety Code, as added by this Act, in that county.

(b) Requires the initial commission members appointed under Subsection (a) of this section to draw lots to determine which two commission members shall serve one-year terms and which three commission members shall serve two-year terms for each county

health care funding district created by Chapters 288, 289, and 290, Health and Safety Code, as added by this Act.

SECTION 4. Effective date: upon passage or September 1, 2005.

SUMMARY OF COMMITTEE CHANGES

Committee Amendment No. 1:

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill by striking Subsection (f) of added Section 288.201, Health and Safety Code (page 8, lines 22 through 24).

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill by substituting "programs" for "health care services" in Subdivision (2) of added Section 288.203, Health and Safety Code (page 9, line 20).

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill, after added Section 288.204, Health and Safety Code, (between page 9, line 25 and page 10, line 1) by adding Sections 288.205 and 288.206, Health and Safety Code, as follows:

Sec. 288.205. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) Sets forth the purpose of this chapter.

(b) Authorizes the county health care funding district (district), to the extent any provision or procedure under this chapter causes a tax under this chapter to be ineligible for federal matching funds, to provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

Sec. 288.206. ELECTION REQUIRED FOR CERTAIN PROVISIONS OR PROCEDURES. (a) Requires the district, in order to amend any provision or procedure set out in this chapter, to obtain the approval of at least 95 percent of the institutional health care providers potentially subject to the tax.

(b) Provides that this section does not apply to rules or procedures related to the daily administrative matters of the district.

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill by replacing "any remaining members who meet" with "one member who meets" in Subsection (b) of added Section 289.051, Health and Safety Code (page 11, lines 10 and 11).

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill by replacing "one member who meets" and substituting "any remaining members who meet" in Subsection (b) of added Section 289.051, Health and Safety Code (page 11, line 13).

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill by striking Subsection (f) of added Section 289.201, Health and Safety Code (page 17, lines 11-13).

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill, after added Section 289.204, Health and Safety Code (page 18, between lines 14 and 15) by adding Sections 289.205 and 289.206, as follows:

Sec. 288.205. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) Sets forth the purpose of this chapter.

(b) Authorizes district, to the extent any provision or procedure under this chapter causes a tax under this chapter to be ineligible for federal matching funds, to provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

Sec. 289.206. ELECTION REQUIRED FOR CERTAIN PROVISIONS OR PROCEDURES. (a) Requires the district, in order to amend any provision or procedure set out in this chapter, to obtain the approval of at least 95 percent of the institutional health care providers potentially subject to the tax.

(b) Provides that this section does not apply to rules or procedures related to the daily administrative matters of the district.

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill by striking Subsection (f) of added Section 290.201, Health and Safety Code (page 25, lines 24-26).

Amends H.B. 2463 (House Engrossed Version) in Section 1 of the bill, after added Section 290.204, Health and Safety Code (page 18, between lines 14 and 15) by adding Sections 290.205 and 290.206, as follows:

Sec. 290.205. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) Sets forth the purpose of this chapter.

(b) Authorizes district, to the extent any provision or procedure under this chapter causes a tax under this chapter to be ineligible for federal matching funds, to provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

Sec. 290.206. ELECTION REQUIRED FOR CERTAIN PROVISIONS OR PROCEDURES. (a) Requires the district, in order to amend any provision or procedure set out in this chapter, to obtain the approval of at least 95 percent of the institutional health care providers potentially subject to the tax.

(b) Provides that this section does not apply to rules or procedures related to the daily administrative matters of the district.