

**BILL ANALYSIS**

Senate Research Center  
79R9304 DAK-F

S.B. 1510  
By: Averitt  
State Affairs  
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**AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, nonprofit management contractors of a hospital owned by a hospital district or a municipality are treated as a governmental unit under the Texas Tort Claims Act. The same protections were not extended to the nonprofit manager of a hospital owned by a county hospital authority or a municipal hospital authority.

As proposed, S.B. 1510 extends certain liability protections to the nonprofit management contractor of a hospital owned by a county hospital authority or a municipal hospital authority.

**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 262, Health and Safety Code, by adding Subchapter E, as follows:

**SECTION E. LIABILITY OF NONPROFIT MANAGEMENT CONTRACTOR**

Sec. 262.061. DEFINITION. Defines "municipal hospital authority management contractor."

Sec. 262.062. LIABILITY OF MUNICIPAL HOSPITAL AUTHORITY MANAGEMENT CONTRACTOR. Provides that a municipal hospital authority management contractor in its management or operation of a hospital under a contract with a municipal hospital authority is considered a governmental unit, and any employee of the contractor is, while performing services under the contract for the benefit of the hospital, an employee of the municipal hospital authority for purposes of Chapters 101, 102, and 108, Civil Practice and Remedies Code.

SECTION 2. Amends Chapter 264, Health and Safety Code, by adding Subchapter E, as follows:

**SECTION E. LIABILITY OF NONPROFIT MANAGEMENT CONTRACTOR**

Sec. 264.061. DEFINITION. Defines "county hospital authority management contractor."

Sec.264.062. LIABILITY OF COUNTY HOSPITAL AUTHORITY MANAGEMENT CONTRACTOR. Provides that a county hospital authority management contractor in its management or operation of a hospital under a contract with a county hospital authority is considered a governmental unit, and any employee of the contractor is, while performing services under the contract for the benefit of the hospital, an employee of the county hospital authority for purposes of Chapters 101, 102, and 108, Civil Practice and Remedies Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2005.