

## **BILL ANALYSIS**

Senate Research Center

S.B. 2034  
By: Lucio; Watson  
Intergovernmental Relations  
6/2/2015  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

One in three individuals in Cameron County lack health care coverage. In 2013, Cameron ranked second amongst all the counties for the highest number of uninsured individuals in the United States. The county currently operates the Indigent Care Program since Cameron does not have a public hospital or hospital district. The growing cost of indigent care has put a strain on the county and the current system is inadequate to meet the complex needs of a high-risk, high-disparity population.

The purpose of S.B. 2034 is to provide an opportunity for a local election to allow the voters to create a special district that would operate similarly to a hospital district. The special district will assume full responsibility of the indigent care program and funds generated can be leveraged to gain matching federal Medicaid dollars. These federal funds can enhance the indigent care program and improve local health services.

The special district, if created, will provide medical care for needy residents, improve the quality of health services in the county, allow for collaboration with the local health community, and support primary care and behavioral services and prevention programs.

The bill also authorizes the special district to contract with various health care providers for healthcare delivery, including local hospitals, clinics, and medical schools. It limits the maximum tax rate to 25 cents per \$100 valuation and would require Cameron County to decrease its ad valorem tax rate equal to the decrease in health care spending due to the transfer of the indigent care program to the special district.

S.B. 2034 creates a mechanism to allow for a local election to create a health related special district to administer indigent care in Cameron County.

S.B. 2034 amends current law relating to the creation of the Cameron County Healthcare District, grants the authority to impose a tax and issue bonds, and grants the power of eminent domain.

### **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 Subtitle A, Title 3, Special District Local Laws Code, by adding Chapter 1121, as follows:

#### CHAPTER 1121. CAMERON COUNTY HEALTHCARE DISTRICT

Sets forth standard language for the creation of the Cameron County Healthcare District (district) in Cameron County. Sets forth standards, procedures, requirements, and criteria for:

Creation and temporary provisions of the district (Sections 1121.001-1121.006 and Section 112.021);

Size, composition, appointment, compensation, and terms of the board of directors of the district, including recruitment of medical staff and employees, and retirement benefits (Sections 1121.051-1121.063);

Powers and duties of the district (Sections 1121.101-1121.117);

General financial provisions and authority to impose taxes and issue bonds (Sections 1121.151-1121.161, Sections 1121.201-1121.207, and Sections 1121.251-1121.256);

Dissolution of the district by election (Sections 1121.301-1121.307).

Authorizes the district to exercise the power of eminent domain to acquire a fee simple or other interest in property located in the district territory if the interest is necessary for the district to exercise certain rights authorized under this chapter. Requires the district to exercise the power of eminent domain in the manner provided by Chapter 21 (Eminent Domain), Property Code.

SECTION 2. Requires the Cameron County Commissioners Court, on the creation of the Cameron County Healthcare District, or as soon as practicable after the district is created, to transfer to the district all operating funds, and any funds held in reserve for operating expenses, that have been budgeted by the county to pay the costs associated with administering a county program to provide to residents of the district indigent health care assistance under Chapter 61 (Indigent Health Care and Treatment Act), Health and Safety Code, during the fiscal year in which the district is created.

SECTION 3. Provides that proof of publication of the notice required to enact Chapter 1121, Special District Local Laws Code, as added by this Act, under the provisions of Section 9 (Hospital Districts; Creation, Operation, Powers, Duties and Dissolution), Article IX, Texas Constitution, has been made in the manner and form provided by law pertaining to the enactment of local and special laws, and the notice is found and declared proper and sufficient to satisfy the requirement.

SECTION 4. (a) Effective date, except as provided by Subsection (b) of this section: upon passage.

(b) Provides that if this Act does not receive the vote necessary for immediate effect:

(1) this Act takes effect September 1, 2015; and

(2) Section 1121.109, Special District Local Laws Code, as added by this Act, has no effect.