By: Miles S.B. No. 706

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and operations of a health care provider participation program by the Harris County Hospital District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 299.001, Health and Safety Code, is amended by adding Subdivision (6) to read as follows:

(6) "Qualifying assessment basis" means any basis consistent with 42 U.S.C. Section 1396b(w) on which the board requires mandatory payments to be assessed under this chapter.

SECTION 2. Section 299.004, Health and Safety Code, is amended to read as follows:

Sec. 299.004. EXPIRATION. (a) Subject to Section 299.153(d), the authority of the district to administer and operate a program under this chapter expires December 31, 2025 [~~2023~~].

(b) This chapter expires December 31, 2025 [~~2023~~].

SECTION 3. Section 299.053, Health and Safety Code, is amended to read as follows:

Sec. 299.053. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING. If the board authorizes the district to participate in a program under this chapter, the board may [~~shall~~] require each institutional health care provider to submit to the district a copy of any financial and utilization data as reported in:

(1) the provider's Medicare cost report [~~submitted~~]

for the most recent [~~previous fiscal year or for the closest subsequent~~] fiscal year for which the provider submitted the Medicare cost report; or

(2) a report other than the report described by Subdivision (1) that the board considers reliable and is submitted by or to the provider for the most recent fiscal year.

SECTION 4. Subchapter B, Chapter 299, Health and Safety Code, is amended by adding Sections 299.054 and 299.055 to read as follows:

Sec. 299.054. REQUEST FOR CERTAIN RELIEF. (a) The board may request that the Health and Human Services Commission submit a request to the Centers for Medicare and Medicaid Services for relief under 42 C.F.R. Section 433.72 for purposes of assuring the program is administered efficiently, transparently, and in a manner that complies with federal law.

(b) If the request for relief under Subsection (a) is granted, the board may act in compliance with the terms of the relief. To the extent of a conflict between the terms of the relief and another law, including a provision of this subtitle requiring mandatory payments be assessed in a uniform or broad-based manner, the terms of the relief prevail.

Sec. 299.055. PROHIBITION ON IMPOSITION OF TAXES. This chapter does not authorize the board to impose a bed tax or any other tax under the laws of this state.

SECTION 5. The heading to Section 299.151, Health and Safety Code, is amended to read as follows:

Sec. 299.151. MANDATORY PAYMENTS [~~BASED ON PAYING PROVIDER~~

~~NET PATIENT REVENUE~~].

SECTION 6. Section 299.151, Health and Safety Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1) and (a-2) to read as follows:

(a) If the board authorizes a health care provider participation program under this chapter, the board may require a mandatory payment to be assessed against each institutional health care provider located in the district, either annually or periodically throughout the year at the discretion of the board, on a qualifying assessment basis [~~the net patient revenue of each institutional health care provider located in the district~~]. The qualifying assessment basis must be the same for each institutional health care provider in the district. The board shall provide an institutional health care provider written notice of each assessment under this section [~~subsection~~], and the provider has 30 calendar days following the date of receipt of the notice to pay the assessment.

(a-1) Except as otherwise provided by this subsection, the qualifying assessment basis must be determined by the board using information contained in an institutional health care provider's Medicare cost report for the most recent fiscal year for which the provider submitted the report. If the provider is not required to submit a Medicare cost report, or if the Medicare cost report submitted by the provider does not contain information necessary to determine the qualifying assessment basis, the qualifying assessment basis may be determined by the board using information contained in another report the board considers reliable that is

submitted by or to the provider for the most recent fiscal year. To the extent practicable, the board shall use the same type of report to determine the qualifying assessment basis for each paying provider in the district.

(a-2) [~~In the first year in which the mandatory payment is required, the mandatory payment is assessed on the net patient revenue of an institutional health care provider, as determined by the provider's Medicare cost report submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report.~~] If a [~~the~~] mandatory payment is required, the district shall update the amount of the mandatory payment on an annual basis and may update the amount on a more frequent basis.

(b) The amount of a mandatory payment authorized under this chapter must be determined in a manner that ensures the revenue generated qualifies for federal matching funds under federal law, consistent with [~~uniformly proportionate with the amount of net patient revenue generated by each paying provider in the district as permitted under federal law. A health care provider participation program authorized under this chapter may not hold harmless any institutional health care provider, as required under~~] 42 U.S.C. Section 1396b(w).

(c) If the board requires a mandatory payment authorized under this chapter, the board shall set the amount of the mandatory payment, subject to the limitations of this chapter. The aggregate amount of the mandatory payments required of all paying providers in the district may not exceed six percent of the aggregate net

patient revenue from hospital services provided [~~by all paying providers~~] in the district.

SECTION 7. Subchapter D, Chapter 299, Health and Safety Code, is amended by adding Section 299.154 to read as follows:

Sec. 299.154. INTEREST AND PENALTIES. The district shall impose and collect interest and penalties on delinquent mandatory payments imposed under this chapter in any amount that does not exceed the maximum amount authorized for other payments that are owed to the district and are delinquent.

SECTION 8. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.