

BILL ANALYSIS

S.B. 121
By: Lindsay
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, the governing board of a municipal hospital, a municipal hospital authority, a hospital district created under general or special law, or a nonprofit health maintenance organization created by one or more community centers is not required to conduct open meetings to discuss pricing or financial planning relating to bids or negotiations for the arrangement or provision of services or product lines. However, some hospital district health maintenance organization boards are composed of a majority of public sector members, which makes them subject to the jurisdiction of the Open Meetings Act. The purpose of Senate Bill 121 is to clarify that the board of a hospital district health maintenance organization that is subject to the Open Meetings Act is able to go into a closed session to discuss financial matters in the same manner as the above listed entities.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, institution, or agency.

ANALYSIS

Senate Bill 121 amends Section 551.085 of the Government Code to provide that the governing board of a health maintenance organization created under Section 281.0515 of the Health and Safety Code is not required to conduct an open meeting to deliberate:

- pricing or financial information relating to a bid or negotiation for the arrangement or provision of services or product lines to another person if disclosure of the information would give advantage to competitors of the health maintenance organization; or
- information relating to a proposed new service product line of the health maintenance organization before publicly announcing the service or product line.

EFFECTIVE DATE

September 1, 2003.

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