

AN ACT

relating to the liability of a hospital district management contractor and certain public servants.

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

SECTION 1. Sections 108.002(a) and (b), Civil Practice and Remedies Code, are amended to read as follows:

(a) Except in an action arising under the constitution or laws of the United States, a public servant [~~, other than a provider of health care as that term is defined in Section 108.002(c),~~] is not personally liable for damages in excess of \$100,000 arising from personal injury, death, or deprivation of a right, privilege, or immunity if:

(1) the damages are the result of an act or omission by the public servant in the course and scope of the public servant's office, employment, or contractual performance for or service on behalf of a state agency, institution, department, or local government; and

(2) for the amount not in excess of \$100,000, the public servant is covered:

(A) by the state's obligation to indemnify under Chapter 104;

(B) by a local government's authorization to indemnify under Chapter 102;

(C) by liability or errors and omissions

1 insurance; or

2 (D) by liability or errors and omissions coverage
3 under an interlocal agreement.

4 (b) Except in an action arising under the constitution or
5 laws of the United States, a public servant [~~other than a provider~~
6 ~~of health care as that term is defined in Section 108.002(c),~~] is
7 not liable for damages in excess of \$100,000 for property damage if:

8 (1) the damages are the result of an act or omission by
9 the public servant in the course and scope of the public servant's
10 office, employment, or contractual performance for or service on
11 behalf of a state agency, institution, department, or local
12 government; and

13 (2) for the amount not in excess of \$100,000, the
14 public servant is covered:

15 (A) by the state's obligation to indemnify under
16 Chapter 104;

17 (B) by a local government's authorization to
18 indemnify under Chapter 102;

19 (C) by liability or errors and omissions
20 insurance; or

21 (D) by liability or errors and omissions coverage
22 under an interlocal agreement.

23 SECTION 2. Chapter 261, Health and Safety Code, is amended
24 by adding Subchapter C to read as follows:

25 SUBCHAPTER C. LIABILITY OF NONPROFIT MANAGEMENT CONTRACTOR

26 Sec. 261.051. DEFINITION. In this subchapter, "municipal
27 hospital management contractor" means a nonprofit corporation,

1 partnership, or sole proprietorship that manages or operates a
2 hospital or provides services under contract with a municipality.

3 Sec. 261.052. LIABILITY OF MUNICIPAL HOSPITAL MANAGEMENT
4 CONTRACTOR. A municipal hospital management contractor in its
5 management or operation of a hospital under a contract with a
6 municipality is considered a governmental unit for purposes of
7 Chapters 101, 102, and 108, Civil Practice and Remedies Code, and
8 any employee of the contractor is, while performing services under
9 the contract for the benefit of the hospital, an employee of the
10 municipality for the purposes of Chapters 101, 102, and 108, Civil
11 Practice and Remedies Code.

12 SECTION 3. Section 285.071, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 285.071. DEFINITION. In this chapter, "hospital
15 district management contractor" means a nonprofit corporation,
16 partnership, or sole proprietorship that manages or operates a
17 hospital or provides services [~~as a part of a rural health network~~
18 ~~as defined under 42 U.S.C. Section 1395i-4(g)] under contract with
19 a hospital district that was created by general or special law [~~and~~
20 ~~that has a population under 50,000~~].~~

21 SECTION 4. Section 285.072, Health and Safety Code, is
22 amended to read as follows:

23 Sec. 285.072. LIABILITY OF A HOSPITAL DISTRICT MANAGEMENT
24 CONTRACTOR. A hospital district management contractor in its
25 management or operation of a hospital under a contract with a
26 hospital district is considered a governmental unit for purposes of
27 Chapters 101, 102, and 108, Civil Practice and Remedies Code, and

1 any employee of the contractor is [~~are~~], while performing services
2 under the contract for the benefit of the hospital, an employee
3 [~~employees~~] of the hospital district for the purposes of Chapters
4 101, [~~and~~] 102, and 108, Civil Practice and Remedies Code.

5 SECTION 5. Section 108.002(c), Civil Practice and Remedies
6 Code, is repealed.

7 SECTION 6. This Act takes effect September 1, 2003, and
8 applies only to a suit filed on or after that date.

President of the Senate

Speaker of the House

I certify that H.B. No. 2453 was passed by the House on May 6, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2453 on May 30, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 2453 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor