

## BILL ANALYSIS

Senate Research Center

S.B. 1378  
By: Staples  
Health & Human Services  
6/28/2005  
Enrolled

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

Current Texas law requires the Department of State Health Services (DSHS) to certify nonprofit hospitals eligible for limited liability by December 31 of the year in which DSHS receives the request. The timeline associated with the certification for liability limits under Section 311.0456, Health and Safety Code, is not congruent with the charity care reporting requirements at DSHS.

S.B. 1378 aligns the reporting and certification process with the timeline currently in place at DSHS from May 31 to December 31 of each year. It also authorizes DSHS to review other sources of charity care documentation to determine eligibility of the hospitals seeking the limited liability certification.

### 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 Sections 311.0456(a), (c), and (d), Health and Safety Code, as follows:

(a) Redefines "department" and defines "nonprofit hospital."

(c) Requires a nonprofit hospital or hospital system, to be eligible for certification under Subsection (d), to provide charity care in an amount equal to at least eight percent of the net patient revenue of the hospital or hospital system during the most recent, rather than preceding, fiscal year of the hospital or system.

(d) Requires a nonprofit hospital or hospital system, to be certified under this subsection, to submit a written request for certification, rather than a report based on its most recent completed and audited prior fiscal year, to the Department of State Health Services (DSHS) no later than May 31, rather than April 30, of each year stating that the hospital or system is eligible for certification. Requires DSHS to determine eligibility no later than December 31, rather than May 31, of the year in which DSHS receives the request by checking the report submitted by the hospital or system under Section 311.033 and the statement of community benefits and charity care submitted by the nonprofit hospital or hospital system under Section 311.045. Requires DSHS to determine the eligibility of the hospital or hospital system using other sources of verified charity care information available at the time of certification, if a report under Section 311.033 is not available for all hospitals in a county in which a nonprofit hospital meeting the requirement of Subsection (c)(1) is requesting certification. Requires DSHS to certify that the hospital or hospital system has met the requirement for certification. Provides that the certification issued under this subsection to a nonprofit hospital or hospital system takes effect on December 31, rather than May 31, of that year and expires on the anniversary of that date.

SECTION 2. (a) Provides that notwithstanding Section 311.0456(b), Health and Safety Code, if this Act takes effect before September 1, 2005, a certification issued by the Texas Department of Health or DSHS in 2004 continues in effect until December 31, 2005, or on September 1, 2005, a certification issued by the Texas Department of Health or DSHS that takes effect May 31, 2005, continues in effect until December 31, 2006.

(b) Makes application of Section 311.0456, Health and Safety Code, as amended by this Act, prospective.

SECTION 3. Effective date: upon passage or September 1, 2005.