

BILL ANALYSIS

S.B. 1378
By: Staples
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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 the 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

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

ANALYSIS

The bill redefines "department" and defines "nonprofit hospital."

The bill requires a nonprofit hospital or hospital system, to be eligible for certification, a nonprofit hospital or hospital system must 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 fiscal year of the hospital or system. To be certified, a nonprofit hospital or hospital system is required to submit a written request for certification to the Department of State Health Services (DSHS) no later than May 31 of each year stating that the hospital or system is eligible for certification. Requires DSHS to determine eligibility no later than December 31 of the year in which DSHS receives the request by checking the report submitted by the hospital or system and the statement of community benefits and charity care submitted by the nonprofit hospital or hospital system. 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 is not available for all hospitals in a county in which a nonprofit hospital is requesting certification. Requires DSHS to certify that the hospital or hospital system has met the requirement for certification. Provides that the certification issued to a nonprofit hospital or hospital system takes effect on December 31 of that year.

Notwithstanding the certification requirements for a nonprofit or hospital system for limited liability, if this Act takes effect before September 1, 2005, a certification for limited 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.

The change in law made by this Act to Section 311.0456, Health and Safety Code, applies only to a certification that occurs on or after the effective date of this Act. A certification that occurs before the effective date of this Act is governed by the law in effect when the certification occurred, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

S.B. 1378 79(R)