

BILL ANALYSIS

Senate Research Center
80R8302 DLF-F

S.B. 1189
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In Texas, ambulatory surgeries are increasing in number because of the high quality of care, the convenience for the patient, and the lower cost of service. The efficiency of an ambulatory surgical center (center) could be enhanced if the center enters into a sublicense agreement with a physician group. Surgeons have utilized unused operating rooms in hospitals and centers for many years; the hospital charges a surgeon a facility fee via an invoice that is sent to the surgeon and the surgeon pays the facility the amount on the invoice. However, recently some surgeons have disregarded such invoices and failed to pay their facility fees.

As proposed, S.B. 1189 authorizes an ambulatory surgical center to enter into a sublicense agreement with designated physician groups; thereby clarifying a sublicense holder's right to send an invoice requesting payment.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 243.002, Health and Safety Code, by amending Subdivision (3) and adding Subdivisions (3-a), (3-b), and (5), as follows:

- (3) Redefines "department."
- (3-a) Defines "designated physician group."
- (3-b) Defines "facility."
- (5) Defines "sublicense agreement."

SECTION 2. Amends the heading to Section 243.003, Health and Safety Code, to read as follows:

Sec. 243.003. LICENSE REQUIRED; SUBLICENSURE AGREEMENTS.

SECTION 3. Amends Section 243.003, Health Safety Code, by amending Subsection (c) and adding Subsection (d), as follows:

- (c) Provides that Subsection (d) is an exception to this subsection.
- (d) Authorizes the ambulatory surgical center to share its license with a designated physician group under a written sublicense agreement if the sublicense agreement is filed with and approved by the Department of State Health Services (department); and the sublicense agreement provides that the ambulatory surgical center remains responsible for ensuring that the facility and all surgical and other services provided by the ambulatory surgical center or in the facility by any designated physician group complies with this chapter (Ambulatory Surgical Centers) and applicable department rules, and all surgical services provided by the designated physician group as an ambulatory surgical center sublicense holder are provided in the facility.

SECTION 4. Amends Section 843.002, Insurance Code, by adding Subdivision (1-a) and amending Subdivision (24), as follows:

(1-a) Defines "ambulatory surgical center."

(24) Redefines "provider."

SECTION 5. Amends Section 1301.001, Insurance Code, by amending Subdivisions (1) and (4) and adding Subdivision (1-a), as follows:

(1) Makes a conforming change.

(1-a) Redesignated from Subdivision (1).

(4) Redefines "institutional provider."

SECTION 6. Amends Section 401.011, Labor Code, by adding Subdivision (4-a) and amending Subdivision (20), as follows:

(4-a) Defines "ambulatory surgical center."

(20) Redefines "health care facility."

SECTION 7. Makes application of this Act prospective.

SECTION 8. Effective date: September 1, 2007.