

BILL ANALYSIS

S.B. 847
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County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

This bill allows hospital districts in counties with a population of more than 190,000 to contract with a federally qualified health center (FQHC) or an FQHC look-alike to provide administrative functions and services.

FQHCs provide comprehensive health services in an underserved area or population. Although these facilities provide a wide range of services, they often have less capacity for administrative functions and services. If an FQHC was allowed to enter into a contract with an urban hospital district, the district could perform administrative functions such as records maintenance. The contract could also allow the FQHC to share any discounts for equipment or supplies that are available for the hospital district.

FQHCs are facing increased demand for services during this economic downturn and they will be able to expand the provision of primary care in the community. Under federal and state health care reform policy changes it will foster their ability to move towards a more integrated health care delivery system in their service area with other essential safety net providers under an accountable care organization model.

S.B. 847 allows hospital districts in urban counties to contract with an FQHC or an FQHC look-alike to provide administrative functions and services.

As proposed, S.B. 847 amends current law relating to the authority of certain hospital districts to contract for the performance of administrative functions and services.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 281, Health and Safety Code, by adding Section 281.0512, as follows:

Sec. 281.0512. CONTRACT TO PROVIDE ADMINISTRATIVE FUNCTIONS AND SERVICES. (a) Provides that this section applies only to a federally qualified health center as defined by 42 U.S.C. Section 1396d(1)(2)(B) or a federally qualified health center look-alike organized and operated under the authority of and in compliance with 42 U.S.C. Section 254b that is substantially devoted to providing services to socially and economically disadvantaged individuals in the geographical area of the district.

(b) Authorizes the board of hospital managers of a district to contract with a federally qualified health center look-alike to perform for the center administrative functions and services that the district and the center may perform independently.

EFFECTIVE DATE

Effective date: upon passage or September 1, 2011.