

SENATE AMENDMENTS

2nd Printing

By: Simpson

H.B. No. 3175

A BILL TO BE ENTITLED

AN ACT

relating to the creation and operations of health care provider participation programs in certain counties.

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

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 293 to read as follows:

CHAPTER 293. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM IN CERTAIN COUNTIES IN THE TEXAS-LOUISIANA BORDER REGION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 293.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services.

(2) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means the county health care provider participation program authorized by this chapter.

Sec. 293.002. APPLICABILITY. This chapter applies only to a county that:

(1) is not served by a hospital district;

(2) is located in the Texas-Louisiana border region, as that region is defined by Section 2056.002, Government Code; and

(3) has a population of more than 100,000 but less than 200,000.

1 Sec. 293.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION
2 PROGRAM; PARTICIPATION IN PROGRAM. (a) A county health care
3 provider participation program authorizes a county to collect a
4 mandatory payment from each institutional health care provider
5 located in the county to be deposited in a local provider
6 participation fund established by the county. Money in the fund may
7 be used by the county to fund certain intergovernmental transfers
8 and indigent care programs as provided by this chapter.

9 (b) The commissioners court may adopt an order authorizing a
10 county to participate in the program, subject to the limitations
11 provided by this chapter.

12 SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

13 Sec. 293.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY
14 PAYMENT. The commissioners court of a county may require a
15 mandatory payment authorized under this chapter by an institutional
16 health care provider in the county only in the manner provided by
17 this chapter.

18 Sec. 293.052. MAJORITY VOTE REQUIRED. The commissioners
19 court of a county may not authorize the county to collect a
20 mandatory payment authorized under this chapter without an
21 affirmative vote of a majority of the members of the commissioners
22 court.

23 Sec. 293.053. RULES AND PROCEDURES. After the
24 commissioners court has voted to require a mandatory payment
25 authorized under this chapter, the commissioners court may adopt
26 rules relating to the administration of the mandatory payment.

27 Sec. 293.054. INSTITUTIONAL HEALTH CARE PROVIDER

1 REPORTING; INSPECTION OF RECORDS. (a) The commissioners court of a
2 county that collects a mandatory payment authorized under this
3 chapter shall require each institutional health care provider to
4 submit to the county a copy of any financial and utilization data
5 required by and reported to the Department of State Health Services
6 under Sections 311.032 and 311.033 and any rules adopted by the
7 executive commissioner of the Health and Human Services Commission
8 to implement those sections.

9 (b) The commissioners court of a county that collects a
10 mandatory payment authorized under this chapter may inspect the
11 records of an institutional health care provider to the extent
12 necessary to ensure compliance with the requirements of Subsection
13 (a).

14 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

15 Sec. 293.101. HEARING. (a) Each year, the commissioners
16 court of a county that collects a mandatory payment authorized
17 under this chapter shall hold a public hearing on the amounts of any
18 mandatory payments that the commissioners court intends to require
19 during the year and how the revenue derived from those payments is
20 to be spent.

21 (b) Not later than the 10th day before the date of the
22 hearing required under Subsection (a), the commissioners court of
23 the county shall publish notice of the hearing in a newspaper of
24 general circulation in the county.

25 (c) A representative of a paying hospital is entitled to
26 appear at the time and place designated in the public notice and to
27 be heard regarding any matter related to the mandatory payments

1 authorized under this chapter.

2 Sec. 293.102. DEPOSITORY. (a) The commissioners court of
3 each county that collects a mandatory payment authorized under this
4 chapter by resolution shall designate one or more banks located in
5 the county as the depository for mandatory payments received by the
6 county. A bank designated as a depository serves for two years or
7 until a successor is designated.

8 (b) All income received by a county under this chapter,
9 including the revenue from mandatory payments remaining after
10 discounts and fees for assessing and collecting the payments are
11 deducted, shall be deposited with the county depository in the
12 county's local provider participation fund and may be withdrawn
13 only as provided by this chapter.

14 (c) All funds under this chapter shall be secured in the
15 manner provided for securing county funds.

16 Sec. 293.103. LOCAL PROVIDER PARTICIPATION FUND;
17 AUTHORIZED USES OF MONEY. (a) Each county that collects a
18 mandatory payment authorized under this chapter shall create a
19 local provider participation fund.

20 (b) The local provider participation fund of a county
21 consists of:

22 (1) all revenue received by the county attributable to
23 mandatory payments authorized under this chapter, including any
24 penalties and interest attributable to delinquent payments;

25 (2) money received from the Health and Human Services
26 Commission as a refund of an intergovernmental transfer from the
27 county to the state for the purpose of providing the nonfederal

1 share of Medicaid supplemental payment program payments, provided
2 that the intergovernmental transfer does not receive a federal
3 matching payment; and

4 (3) the earnings of the fund.

5 (c) Money deposited to the local provider participation
6 fund may be used only to:

7 (1) fund intergovernmental transfers from the county
8 to the state to provide the nonfederal share of a Medicaid
9 supplemental payment program authorized under the state Medicaid
10 plan, the Texas Healthcare Transformation and Quality Improvement
11 Program waiver issued under Section 1115 of the federal Social
12 Security Act (42 U.S.C. Section 1315), or a successor waiver
13 program authorizing similar Medicaid supplemental payment
14 programs;

15 (2) subsidize indigent programs;

16 (3) pay the administrative expenses of the county
17 solely for activities under this chapter;

18 (4) refund a portion of a mandatory payment collected
19 in error from a paying hospital; and

20 (5) refund to paying hospitals the proportionate share
21 of money received by the county from the Health and Human Services
22 Commission that is not used to fund the nonfederal share of Medicaid
23 supplemental payment program payments.

24 (d) Money in the local provider participation fund may not
25 be commingled with other county funds.

26 (e) An intergovernmental transfer of funds described by
27 Subsection (c)(1) and any funds received by the county as a result

1 of an intergovernmental transfer described by that subsection may
2 not be used by the county or any other entity to expand Medicaid
3 eligibility under the Patient Protection and Affordable Care Act
4 (Pub. L. No. 111-148) as amended by the Health Care and Education
5 Reconciliation Act of 2010 (Pub. L. No. 111-152).

6 SUBCHAPTER D. MANDATORY PAYMENTS

7 Sec. 293.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL
8 NET PATIENT REVENUE. (a) Except as provided by Subsection (e), the
9 commissioners court of a county that collects a mandatory payment
10 authorized under this chapter may require an annual mandatory
11 payment to be assessed on the net patient revenue of each
12 institutional health care provider located in the county. The
13 commissioners court may provide for the mandatory payment to be
14 assessed quarterly. In the first year in which the mandatory
15 payment is required, the mandatory payment is assessed on the net
16 patient revenue of an institutional health care provider as
17 determined by the data reported to the Department of State Health
18 Services under Sections 311.032 and 311.033 in the fiscal year
19 ending in 2013 or, if the institutional health care provider did not
20 report any data under those sections in that fiscal year, as
21 determined by the institutional health care provider's cost report
22 submitted for the 2013 fiscal year or for the closest subsequent
23 fiscal year for which the provider submitted the cost report. The
24 county shall update the amount of the mandatory payment on an annual
25 basis.

26 (b) The amount of a mandatory payment authorized under this
27 chapter must be uniformly proportionate with the amount of net

1 patient revenue generated by each paying hospital in the county. A
2 mandatory payment authorized under this chapter may not hold
3 harmless any institutional health care provider, as required under
4 42 U.S.C. Section 1396b(w).

5 (c) The commissioners court of a county that collects a
6 mandatory payment authorized under this chapter shall set the
7 amount of the mandatory payment. The amount of the mandatory
8 payment required of each paying hospital may not exceed an amount
9 that, when added to the amount of the mandatory payments required
10 from all other paying hospitals in the county, equals an amount of
11 revenue that exceeds six percent of the aggregate net patient
12 revenue of all paying hospitals in the county.

13 (d) Subject to the maximum amount prescribed by Subsection
14 (c), the commissioners court of a county that collects a mandatory
15 payment authorized under this chapter shall set the mandatory
16 payments in amounts that in the aggregate will generate sufficient
17 revenue to cover the administrative expenses of the county for
18 activities under this chapter, to fund the nonfederal share of a
19 Medicaid supplemental payment program, and to pay for indigent
20 programs, except that the amount of revenue from mandatory payments
21 used for administrative expenses of the county for activities under
22 this chapter in a year may not exceed the lesser of four percent of
23 the total revenue generated from the mandatory payment or \$20,000.

24 (e) A paying hospital may not add a mandatory payment
25 required under this section as a surcharge to a patient.

26 Sec. 293.152. ASSESSMENT AND COLLECTION OF MANDATORY
27 PAYMENTS. (a) Except as provided by Subsection (b), the county tax

1 assessor-collector shall collect the mandatory payment authorized
2 under this chapter. The county tax assessor-collector shall charge
3 and deduct from mandatory payments collected for the county a fee
4 for collecting the mandatory payment in an amount determined by the
5 commissioners court of the county, not to exceed the county tax
6 assessor-collector's usual and customary charges.

7 (b) If determined by the commissioners court to be
8 appropriate, the commissioners court may contract for the
9 assessment and collection of mandatory payments in the manner
10 provided by Title 1, Tax Code, for the assessment and collection of
11 ad valorem taxes.

12 (c) Revenue from a fee charged by a county tax
13 assessor-collector for collecting the mandatory payment shall be
14 deposited in the county general fund and, if appropriate, shall be
15 reported as fees of the county tax assessor-collector.

16 Sec. 293.153. INTEREST, PENALTIES, AND DISCOUNTS.
17 Interest, penalties, and discounts on mandatory payments required
18 under this chapter are governed by the law applicable to county ad
19 valorem taxes.

20 Sec. 293.154. PURPOSE; CORRECTION OF INVALID PROVISION OR
21 PROCEDURE. (a) The purpose of this chapter is to generate revenue
22 by collecting from institutional health care providers a mandatory
23 payment to be used to provide the nonfederal share of a Medicaid
24 supplemental payment program.

25 (b) To the extent any provision or procedure under this
26 chapter causes a mandatory payment authorized under this chapter to
27 be ineligible for federal matching funds, the county may provide by

1 rule for an alternative provision or procedure that conforms to the
2 requirements of the federal Centers for Medicare and Medicaid
3 Services.

4 SECTION 2. If before implementing any provision of this Act
5 a state agency determines that a waiver or authorization from a
6 federal agency is necessary for implementation of that provision,
7 the agency affected by the provision shall request the waiver or
8 authorization and may delay implementing that provision until the
9 waiver or authorization is granted.

10 SECTION 3. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2015.

ADOPTED

FLOOR AMENDMENT NO. 1 MAY 26 2015

BY: [Signature]

[Signature] Secretary of the Senate

Amend H.B. No. 3175 (committee printing) as follows:

(1) In SECTION 1 of the bill, in the heading to added Chapter 293, Health and Safety Code (page 1, line 23), strike "IN THE TEXAS-LOUISIANA BORDER REGION".

(2) In SECTION 1 of the bill, in added Section 293.001(1), Health and Safety Code (page 1, line 27), strike "that provides inpatient hospital services" and substitute "licensed under Chapter 241".

(3) In SECTION 1 of the bill, strike added Section 293.002, Health and Safety Code (page 1, lines 33-39), and substitute the following:

Sec. 293.002. APPLICABILITY. This chapter applies only to a county that:

(1) is not served by a hospital district or a public hospital;

(2) borders the county in which the State Capitol is located; and

(3) has a population of more than 100,000 but less than 300,000.

(4) In SECTION 1 of the bill, in added Section 293.151(a), Health and Safety Code (page 3, line 28), between "assessed" and "on", insert "quarterly".

(5) In SECTION 1 of the bill, in added Section 293.151(a), Health and Safety Code (page 3, lines 29-31), strike "The commissioners court may provide for the mandatory payment to be assessed quarterly."

(6) In SECTION 1 of the bill, in added Section 293.151(a), Health and Safety Code, strike page 3, lines 36-40, and substitute "ending in 2014. The".

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 27, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3175** by Simpson (Relating to the creation and operations of health care provider participation programs in certain counties.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code by adding Chapter 293 to establish a health care provider participation program for certain counties. The health care provider participation program would authorize a county to collect mandatory payments from certain hospitals. These payments would be deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers would be used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments. The bill specifies that if a state agency determines that a waiver from a federal agency is necessary, the agency shall request the waiver and delay implementation until such waiver is received.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to the Health and Human Services Commission by intergovernmental transfer. The bill's provisions do not contain any implications for state General Revenue funds. HHSC reports that there would be no significant fiscal impact to the agency resulting from implementation of the bill.

The bill would take effect on September 1, 2015, or immediately with a vote of two-thirds of all members in both houses.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KVe, MH, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3175** by Simpson (Relating to the creation and operations of health care provider participation programs in certain counties.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code by adding Chapter 293 to establish a health care provider participation program for certain counties located in the Texas and Louisiana region. The health care provider participation program would authorize a county to collect mandatory payments from nonprofit hospitals. These payments would be deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers would be used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments. The bill specifies that if a state agency determines that a waiver from a federal agency is necessary, the agency shall request the waiver and delay implementation until such waiver is received.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to the Health and Human Services Commission by intergovernmental transfer. The bill's provisions do not contain any implications for state General Revenue funds. HHSC reports that there would be no significant fiscal impact to the agency resulting from implementation of the bill.

The bill would take effect on September 1, 2015, or immediately with a vote of two-thirds of all members in both houses.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KVe, MH, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3175 by Simpson (Relating to the creation and operations of health care provider participation programs in certain counties.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would amend the Health and Safety Code by adding Chapter 293 to establish a health care provider participation program for certain counties located in the Texas and Louisiana region. The health care provider participation program would authorize a county to collect mandatory payments from nonprofit hospitals. These payments would be deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers would be used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments. The bill specifies that if a state agency determines that a waiver from a federal agency is necessary, the agency shall request the waiver and delay implementation until such waiver is received.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to the Health and Human Services Commission by intergovernmental transfer. The bill's provisions do not contain any implications for state General Revenue funds. HHSC reports that there would be no significant fiscal impact to the agency resulting from implementation of the bill.

The bill would take effect on September 1, 2015, or immediately with a vote of two-thirds of all members in both houses.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KVe, MH, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 25, 2015

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3175 by Simpson (Relating to the creation and operations of health care provider participation programs in certain counties.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would amend the Health and Safety Code by adding Chapter 291 to establish a health care provider participation program for certain counties located in the Texas and Louisiana region. The health care provider participation program would authorize a county to collect mandatory payments from nonprofit hospitals. These payments would be deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers would be used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments. The bill specifies that if a state agency determines that a waiver from a federal agency is necessary, the agency shall request the waiver and delay implementation until such waiver is received.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to the Health and Human Services Commission by intergovernmental transfer. The bill's provisions do not contain any implications for state General Revenue funds. HHSC reports that there would be no significant fiscal impact to the agency resulting from implementation of the bill.

The bill would take effect on September 1, 2015, or immediately with a vote of two-thirds of all members in both houses.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KVe, MH, SD