

## **BILL ANALYSIS**

C.S.H.B. 4289  
By: Coleman  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that giving certain local governments the option to participate in a health care provider participation program would be beneficial and would allow local safety-net hospitals to contain property tax expenses for health care. C.S.H.B. 4289 seeks to address this issue by setting out provisions relating to the authority of certain local governments to create and operate health care provider participation programs.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTIONS 1 and 2 of this bill.

### **ANALYSIS**

#### **Health Care Provider Participation Programs in Certain Political Subdivisions in Texas**

C.S.H.B. 4289 amends the Health and Safety Code to do the following:

- provide for a health care provider participation program:
  - for a hospital district that is not participating in another applicable health care provider participation program; and
  - for a county or municipality that is not participating in another such program and is not served by a hospital district or a public hospital; and
- set out the bill's applicable purpose.

The bill authorizes the governing body of a local government, defined by the bill as an applicable hospital district, county, or municipality, to only adopt an order or ordinance authorizing that local government to participate in a program after an affirmative vote of the majority of the governing body. The bill:

- authorizes a governing body to require a mandatory payment by an institutional health care provider located in that hospital district, county, or municipality, as applicable, under a program;
- authorizes a governing body to adopt rules relating to the administration of a program in the local government;
- provides for certain institutional health care provider reporting; and
- defines "institutional health care provider" as a nonpublic hospital that provides inpatient

hospital services.

C.S.H.B. 4289 provides for an annual public hearing on the amounts of any mandatory payments that a governing body intends to require during the year and how the revenue derived from those payments is to be spent. The bill provides for the designation of one or more banks as a depository for the mandatory payments received by a local government and provides for the creation, composition, and use of a local provider participation fund for each governing body that collects a mandatory payment.

C.S.H.B. 4289 provides for the amount, assessment, and collection of a mandatory payment. The bill authorizes a local government to provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services to the extent any provision or procedure under applicable bill provisions causes a mandatory payment to be ineligible for federal matching funds. The bill sets out provisions relating to such rules. The bill conditions a local government's assessment and collection of a mandatory payment on an applicable waiver program, uniform rate enhancement, or reimbursement being available to the local government.

C.S.H.B. 4289:

- requires the governing body of each local government that authorizes a health care provider participation program to report information to the Health and Human Services Commission (HHSC) regarding the program on a schedule determined by HHSC;
- sets out content requirements for such information; and
- requires the executive commissioner of HHSC to adopt rules to administer these provisions.

The bill sets a local government's authority to administer and operate a program to expire on September 1 following the second anniversary of the date the governing body of the local government adopted the order or ordinance authorizing the local government to participate in the program. The bill authorizes HHSC to refuse to accept money from a local provider participation fund if HHSC determines that doing so may violate federal law.

### **Health Care Provider Participation Program in Districts Composed of Certain Local Governments**

C.S.H.B. 4289:

- provides for health care provider participation programs:
  - for hospital districts that are not participating in another applicable health care provider participation program and have only one institutional health care provider located in the district; and
  - for counties and municipalities that are not participating in another such program, are not served by a hospital district or a public hospital, and have only one institutional health care provider located in the county or municipality; and
- sets out the bill's applicable purpose.

The bill authorizes a local government and one or more other local governments to create a health care provider participation district by adopting concurrent orders, sets out requirements for such orders, and defines "local government" as an applicable hospital district, county, or municipality. The bill authorizes a district to authorize and administer a health care provider participation program, provides for a board of directors for a district, and sets out provisions relating to district finances and dissolution of a district.

C.S.H.B. 4289 authorizes the board of a district to authorize the district to participate in a health care provider participation program on the affirmative vote of a majority of the board, subject to

applicable bill provisions. The bill:

- authorizes a board to require a mandatory payment by an institutional health care provider in the district under a program;
- authorizes the board to adopt rules relating to the administration of a program in the district;
- provides for certain institutional health care provider reporting; and
- defines "institutional health care provider" as a nonpublic hospital that provides inpatient hospital services.

C.S.H.B. 4289 provides for an annual public hearing on the amounts of any mandatory payments that a board intends to require during the year and how the revenue derived from those payments is to be spent. The bill:

- provides for the designation of one or more banks as a depository for the mandatory payments received by a district;
- provides for the creation, composition, and use of a local provider participation fund for each board that collects a mandatory payment; and
- requires a district to maintain an accounting of the funds received from each local government that creates the district.

C.S.H.B. 4289 provides for the amount, assessment, and collection of a mandatory payment. The bill authorizes a board to provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services to the extent any provision or procedure under applicable bill provisions causes a mandatory payment to be ineligible for federal matching funds. The bill sets out provisions relating to such rules and conditions a district's assessment and collection of a mandatory payment on an applicable waiver program, uniform rate enhancement, or reimbursement being available to the district.

C.S.H.B. 4289:

- requires the board of a district that authorizes a health care provider participation program to report information to HHSC regarding the program on a schedule determined by HHSC;
- sets out content requirements for such information; and
- requires the executive commissioner of HHSC to adopt rules to administer these provisions.

The bill sets a district's authority to administer and operate a program to expire on September 1 following the second anniversary of the date the board of the district authorized the district to participate in the program. The bill authorizes HHSC to refuse to accept money from a local provider participation fund if HHSC determines that doing so may violate federal law.

### **Other Provisions**

C.S.H.B. 4289 requires the governing body of a local government, as soon as practicable after the expiration of the local government's authority to administer and operate a health care provider participation program under the bill's provisions, to transfer to each institutional health care provider in the boundaries of the local government that provider's proportionate share of any remaining funds in any local provider participation fund created by the local government.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 4289 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute, with respect to bill provisions relating to health care provider participation programs in certain political subdivisions in Texas, does the following:

- narrows the applicability of the provisions to a hospital district that is not participating in another applicable health care provider participation program and to a county or municipality that is not participating in another such program and is not served by a hospital district or a public hospital;
- revises the purpose of the provisions;
- revises provisions relating to the use of money deposited to a local provider participation fund and does not include a provision authorizing the money to be used to pay costs associated with certain indigent care;
- revises provisions relating to the assessment and collection of a mandatory payment;
- includes provisions requiring the governing body of each local government that authorizes a program to report information to the HHSC regarding the program;
- includes a provision providing for the expiration of a local government's authority to administer and operate a program; and
- includes a provision authorizing HHSC to refuse to accept money from a local provider participation fund if HHSC determines that doing so may violate federal law.

The substitute includes provisions relating to health care provider participation programs in districts composed of certain local governments.

The substitute includes a provision requiring the governing body of a local government, as soon as practicable after the expiration of the local government's authority to administer and operate a health care provider participation program under the bill's provisions, to transfer to each institutional health care provider in the boundaries of the local government that provider's proportionate share of any remaining funds in any local provider participation fund created by the local government.