

BILL ANALYSIS

C.S.H.B. 4801
By: Villalobos
Intergovernmental Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the Nueces County Hospital District, like many local health systems across Texas, faces persistent challenges in recruiting and retaining qualified physicians, particularly those in specialized fields. The bill author has also informed the committee that these challenges are exacerbated by workforce shortages, rising demand for health care services, competition with larger, better-resourced urban hospitals, and district hospitals' limited capacity to expand graduate medical education programs, such as residency positions, which are instrumental in growing the local physician workforce. C.S.H.B. 4801 seeks to address these issues by expanding the permitted uses of district funds to include the creation of a formal grant program dedicated to physician recruitment, retention, and residency expansion to strengthen the health care workforce in the region, improve access to essential medical services, and ensure that the district can continue to meet the health care needs of its indigent population.

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

ANALYSIS

C.S.H.B. 4801 amends the Health and Safety Code to authorize the board of the Nueces County Hospital District to establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to accomplish the following:

- allow hospitals in the district to retain physicians currently practicing at those hospitals and recruit to practice at those hospitals physicians who practice medicine in a specialty or subspecialty providing treatment for the most common and critical health care needs of district residents; and
- increase the number of residency positions at hospitals in the district.

The bill requires the board, if the board establishes the grant program, to adopt rules to ensure the grant is used in a manner that is consistent with the public purpose of providing medical aid and hospital care for the indigent and needy individuals residing in the district, including rules doing the following:

- prescribing the manner in which a hospital in the district may apply for a grant;
- establishing eligibility and selection criteria for a hospital to be awarded a grant;
- establishing accountability controls for hospitals awarded a grant to ensure that the district receives a benefit in return for the award of the grant; and

- relating to any other aspect of the program the board determines necessary for the program's administration.

C.S.H.B. 4801 prohibits the board of the hospital district from using money received by the district for purposes of the Nueces County Hospital District health care provider participation program to fund a grant awarded under the bill's provisions. The bill authorizes the board of the hospital district, with the approval of the Nueces County Commissioners Court, to use funds made available to the district from sources other than a tax levy to fund the grant program.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4801 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Both the introduced and the substitute provide for the board of the Nueces County Hospital District to establish and administer a grant program for hospitals located in the hospital district to provide the funding necessary to accomplish certain goals. However, those provisions differ as follows:

- the introduced required the board to establish and administer the grant program, whereas the substitute authorizes the board to do so;
- whereas the introduced required the board of the hospital district to prescribe the manner in which a hospital may apply for a grant, establish grant eligibility and selection criteria, and establish accountability controls for hospitals awarded a grant to ensure certain outcomes, the substitute instead requires the board to adopt rules for those purposes and conditions that requirement on the board establishing the grant program;
- whereas the introduced specified that the accountability controls must ensure a grant is used in a manner that is consistent with the public purpose of providing medical and hospital care for the indigent residents of the district, the substitute specifies that the purpose of the adopted rules is to ensure a grant is used in a manner that is consistent with the public purpose of providing medical aid and hospital care for the indigent and needy individuals residing in the district; and
- the substitute includes the following provisions not in the introduced:
 - the requirement for the rules adopted by the board to include rules relating to any other aspect of the program the board determines necessary for the program's administration; and
 - a prohibition against the board of the hospital district using money received by the district for purposes of the Nueces County Hospital District health care provider participation program to fund a grant awarded under the bill's provisions.

Whereas the introduced authorized the board of the hospital district to use funds made available to the district from any source to fund the grant program, the substitute instead authorizes the board, with the approval of the Nueces County Commissioners Court, to use funds made available to the district from sources other than a tax levy to fund the grant program.