

BILL ANALYSIS

C.S.H.B. 5098
By: Curry
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that electronic health records (EHR) have become essential tools in modern health care, improving efficiency, reducing medical errors, and ensuring seamless communication among providers. However, the bill author has further informed the committee that the high cost of implementing EHR systems presents a significant barrier for many health care facilities, particularly those in rural or underserved areas. C.S.H.B. 5098 seeks to recognize the need for broader access to EHR systems and assist health care facilities in making the transition to digital record-keeping systems by establishing an interoperable care coordination solution loan program to provide financial assistance to certain health care facilities for the purchase and implementation of interoperable care coordination solutions, including EHR systems.

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 SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 5098 amends the Health and Safety Code to require the executive commissioner of the Health and Human Services Commission (HHSC) by rule to establish a loan program to provide loans to health care facilities to purchase, implement, and sustain interoperable care coordination solutions, including electronic health record systems to ensure streamlined communication between health care facilities regarding patient health records. The bill requires the executive commissioner by rule to establish the following:

- eligibility criteria for health care facilities to receive a loan under the loan program;
- loan application procedures;
- guidelines relating to loan amounts, terms, and repayment schedules;
- procedures for evaluating loan applications; and
- procedures for monitoring the use of a loan awarded under the loan program and ensuring compliance with any conditions of the loan.

The bill requires such rules to include a preference for granting loans to health care facilities that provide services in medically underserved or rural areas or that provide services to Medicaid recipients. The bill authorizes HHSC to accept gifts, grants, and donations from public and private entities to use for the purposes of the loan program and requires HHSC to make a loan using money appropriated to HHSC for that purpose or such gifts, grants, and donations.

C.S.H.B. 5098 does the following with respect to a loan made by HHSC under the loan program:

- requires the loan to bear an interest rate capped at one percent and be made for a maximum 10-year term; and

- authorizes the loan to be awarded in an amount necessary to assist a health care facility purchase, implement, and sustain interoperable care coordination solutions, including an electronic health record system, capped at:
 - 80 percent of the cost of purchasing, implementing, and sustaining interoperable care coordination solutions for an applicable health care facility as defined by the bill; or
 - 50 percent of the cost of purchasing, implementing, and sustaining interoperable care coordination solutions for a health care facility that is not described by the bill's definition.

The bill defines "health care facility" as a facility licensed to provide health care services, including a nursing facility licensed under statutory provisions relating to convalescent and nursing facilities and related institutions, a continuing care facility regulated under the Texas Continuing Care Facility Disclosure and Rehabilitation Act, an assisted living facility licensed under the Assisted Living Facility Licensing Act, and a mental hospital or other mental health facility licensed under statutory provisions relating to private mental hospitals and other mental health facilities. The bill establishes that the term does not include the following:

- an abortion provider, as defined by reference to the Woman's Right to Know Act;
- a diagnostic, laboratory, or imaging center;
- a hospital licensed under the Texas Hospital Licensing Law;
- a boarding home facility, as defined by statutory provisions governing such facilities, that holds a permit under those provisions; or
- a center for independent living, as defined by the federal Rehabilitation Act of 1973.

C.S.H.B. 5098 requires the executive commissioner, as soon as practicable after the bill's effective date, to adopt rules necessary to administer the bill's provisions.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5098 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.

While both the introduced and the substitute require the executive commissioner to establish a loan program, the bill versions differ in the following ways:

- the introduced required the executive commissioner to do so in coordination with the comptroller of public accounts, whereas the substitute does not; and
- whereas the introduced specified that the purpose of the loan program is to purchase and implement electronic health record systems, the substitute specifies that the purpose of the loan program is to purchase, implement, and sustain interoperable care coordination solutions, including electronic health record systems.

The introduced authorized HHSC to solicit gifts, grants, and donations from public and private entities to use for purposes of the loan program, whereas the substitute does not.

Whereas the introduced authorizes HHSC to make a loan using money appropriated to HHSC for that purpose or gifts, grants, and donations received as provided by the bill, the substitute requires HHSC to do so.

Whereas the introduced established that "health care facility" does not include an abortion provider or a diagnostic, laboratory, or imaging center, the substitute establishes that the term does not include, as defined by applicable law, an abortion provider; a diagnostic, laboratory, or imaging center; a licensed hospital; a permitted boarding home facility; or a center for independent living.

Both the introduced and the substitute authorize a loan made by HHSC under the loan program to be awarded in an amount necessary as provided by the bill to assist a health care facility to take certain actions. However, the introduced authorized such a loan to be awarded to assist a health care facility purchase and implement an electronic health record system, whereas the substitute authorizes such a loan to be awarded to assist a health care facility purchase, implement, and sustain interoperable care coordination solutions, including an electronic health record system.