

## **BILL ANALYSIS**

C.S.H.B. 3459  
By: Coleman  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been noted that certain local communities have benefited from the creation of local health care provider participation programs, and some have suggested that the Harris County Hospital District would benefit from the creation of such a program as well. C.S.H.B. 3459 seeks to address this issue by authorizing, but not mandating, such a program for the district.

### **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. 3459 amends the Health and Safety Code to provide for a Harris County Hospital District health care provider participation program. The bill authorizes the district's board of hospital managers to authorize the district to participate in the program on the affirmative vote of a majority of the board. The bill sets the district's authority to administer and operate the program to expire December 31, 2021, and sets the bill's provisions to expire on that date. The bill authorizes the board to require a mandatory payment by an institutional health care provider in the district under the program, authorizes the board to adopt rules relating to the administration of the program, provides for certain institutional health care provider reporting, and defines, among other terms, "institutional health care provider" as a nonpublic hospital located in the district that provides inpatient hospital services.

C.S.H.B. 3459 provides for an annual public hearing on the amounts of any mandatory payments that the 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 district's local provider participation fund and provides for the creation, composition, and use of the fund.

C.S.H.B. 3459 provides for the amount, assessment, and collection of a mandatory payment. The bill authorizes the 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 the bill's provisions causes a mandatory payment to be ineligible for federal matching funds. The bill sets out provisions relating to such rules and conditions the 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. 3459 requires the board of hospital managers of the Harris County Hospital District, as soon as practicable after the expiration of the district's authority to administer and operate a health care provider participation program, to transfer to each institutional health care provider in the district that provider's proportionate share of any remaining funds in any local provider participation fund created by the district.

**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. 3459 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 includes a provision requiring the district to update the amount of a mandatory payment on an annual basis and authorizing the district to update the amount on a more frequent basis if a mandatory payment is required.

The substitute changes the amount of the payments that may be collected for administrative expenses and includes in the purposes for which the funds may be collected reasonably necessary funding for the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements for nonpublic hospitals.

The substitute includes a provision setting out the duties of the district's board on expiration of its authority to administer and operate a health care provider participation program.