

SUBJECT: Exempting hospital districts from certain open meeting requirements

COMMITTEE: State Affairs — favorable, with amendment

VOTE: 9 ayes — Wolens, S. Turner, Carter, Counts, Hilbert, Hunter, D. Jones,
McCall, Ramsay

0 nays

6 absent — Alvarado, Brimer, Craddick, Danburg, Longoria, Stiles

WITNESSES: None

BACKGROUND : The Texas open meetings law requires that regular, special or called meetings of a governmental body be open to the public, that notice be provided, and that a record of the meeting be kept. Certain exceptions are allowed different types of governmental bodies for different types of meetings.

Meetings of boards of directors of municipal hospitals and municipal hospital authorities are given an exception to open meetings law to discuss bids or negotiations for products or services or new services.

DIGEST: HB 2328 would add meetings of hospital districts to the exceptions granted municipal hospitals and municipal hospital authorities. Hospital districts could close meetings convened to deliberate:

- pricing or financial information related to a bid or negotiation for services or product lines if disclosure would give an advantage to competitors of the hospital district; or
- information relating to a proposed new service or product line before the new service or product was publicly announced.

The bill would make other corrective changes.

HB 2328 would take effect September 1, 1997

SUPPORTERS SAY: Hospital districts should have the same exclusion from open meetings law as municipal hospitals and hospital authorities because they engage in the same types of discussions. The purpose of excluding these meetings from the open meetings requirement is to protect the competitive advantage of these public institutions. If these items had to be discussed in public, competitors could find out the prices the public facility had agreed to pay for products or services or new plans it may have and use that knowledge to gain an advantage over the public hospital. No information discussed privately in these meetings would be permanently withheld from the public; all information will be publicly released when it no longer could serve to give another provider a competitive advantage.

OPPONENTS SAY: Hospital districts, unlike municipal hospitals or hospital authorities, have the power to levy taxes for their operation. Because taxpayer money is involved, meetings should remain open to the public, to whom the district is accountable.

NOTES: The committee amendment would change references to the board of directors.

The companion bill, SB 1396 by Lindsay, has been reported favorably by the Senate State Affairs Committee. An identical bill, HB 2882 by Romo, was introduced in the 74th Legislature but was left pending in the House State Affairs Committee.