

## **BILL ANALYSIS**

Senate Research Center

H.B. 1878  
By: Chisum (Bivins)  
Intergovernmental Relations  
4-29-97  
Engrossed

### **DIGEST**

Currently, hospital districts are set up with specific rules. However, these rules must be adjusted until the operations of the board of directors of a hospital and the hospital district are efficient enough to provide service to a specific area. This bill sets forth provisions to meet the needs of the boards of directors of the Ochiltree and Castro County Hospital Districts.

### **PURPOSE**

As proposed, H.B. 1878 sets forth provisions to meet the needs of the boards of directors of the Ochiltree and Castro County Hospital Districts.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 103, Acts of the 57th Legislature, Regular Session, 1961, by amending Sections 3, 4, 6, 8, and 9 and adding Sections 3A, 6A, 6B, 8B, and 14A, as follows:

Sec. 3. Prohibits a person from being elected or appointed as a member of the board of directors of the Castro County Hospital District unless the person is a resident of the district and is at the time of election or appointment at least 21 years of age. Prohibits an employee or a medical staff member of the Ochiltree County Hospital District from serving as director of that district. Authorizes the Ochiltree County Hospital District to purchase directors' bonds with district funds. Requires a regular directors meeting to be held in May, rather than April. Requires a person who wishes to have the person's name printed on the ballot as a candidate for director of the Castro County Hospital District to file an application with the secretary of the board of the Castro County Hospital District by the 45th day before the date of the election. Sets forth provisions for persons desiring name placement on a ballot for the Ochiltree County Hospital District. Deletes a provision requiring the petition to be filed with the secretary.

Sec. 3A. Provides that this section applies only to the Ochiltree County Hospital District. Sets forth provisions regarding a write-in candidate in a general or special election of directors. Provides that Chapter 2C, Election Code, applies to the election of unopposed candidates for the board of directors.

Sec. 4. Authorizes the board of directors of the Ochiltree County Hospital District to defend or indemnify certain persons against or for liability, claims, or expenses that arise from the performance of a duty in the person's respective capacity as an officer, director, board appointee, medical staff member, or employee of the district. Authorizes the board of directors to purchase liability insurance coverage or establish a self-insurance program to fund indemnification under this section.

Sec. 6. Authorizes certain taxes to be levied on each \$100 valuation of taxable property. Authorizes the Ochiltree County Hospital District to issue and sell bonds for health care purposes subject to the requirements of this section. Prohibits bonds from being issued,

except as provided by Section 6A.

Sec. 6A. Sets forth compliance requirements for the Ochiltree County Hospital District in selling and reissuing bonds, and in making payments of outstanding indebtedness. Sets forth provisions governing the board of directors of the Ochiltree County Hospital District regarding the issuance of revenue bonds. Provides that bonds issued by the district are free from taxation.

Sec. 6B. Authorizes the board of directors of the Ochiltree County Hospital District to borrow money for district purposes on the credit of the district or secured by revenues of the district.

Sec. 8. Sets forth appointment powers of the board of directors for certain staff of the Ochiltree County Hospital District.

Sec. 8B. Provides that this section applies only to the Ochiltree County Hospital District. Sets forth provisions regarding facilities to be determined by the board of directors. Authorizes the board of directors to acquire certain properties with regard to the district hospital. Authorizes the board of directors to lease hospital facilities on behalf of the district. Authorizes the district to operate any facilities covered by this section or to enter into a contract with any person to manage or operate any of those facilities. Authorizes the board of directors to lease or sell all or part of the district's property, facilities or equipment to any public or private entity or otherwise dispose of property, facilities, or equipment of the district. Authorizes the district, subject to the approval of the board of directors, to provide certain health care services, provided that the services serve the purpose of the district as established by this Act. Sets forth provisions authorizing the board of directors to contract with certain entities. Authorizes the board of directors to spend district funds, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or employees of the district for certain purposes. Authorizes the board of directors to spend district funds, enter into agreements, and take other necessary action to conduct, participate in, or otherwise assist in providing health care educational programs for current or prospective medical staff members or employees of the district. Authorizes the board of directors to provide retirement benefits for employees of the district by establishing or administering a retirement program or by participating in the Texas County and District Retirement System or in another statewide retirement system in which the district is eligible to participate.

Sec. 9. Sets forth the fiscal year for the Ochiltree County Hospital District, rather than the hospital district. Requires the Castro County Hospital District to operate on the fiscal year established by the board of directors of that district.

Sec. 14A. Requires the board of directors of the Ochiltree County Hospital District to seek reimbursement, from certain entities for the district's care for or treatment of a sick, diseased, or injured person for whom that county, municipality, or public hospital has an obligation to provide care. Requires the board of directors to seek reimbursement under Article 104.002, Code of Criminal Procedure, for the district's care for or treatment of a person who is not a resident of the district and who is confined in a county jail facility.

SECTION 2. Emergency clause.

Effective date: upon passage.