

## **BILL ANALYSIS**

Senate Research Center

H.B. 2573  
By: Wolens (Nelson)  
Health Services  
5/10/1999  
Engrossed

### **DIGEST**

The Indigent Health Care and Treatment Act, enacted in 1985, has not addressed all out-of-country issues impacting reimbursement of facilities for care provided to indigent patients. Tertiary medical centers, which provide and coordinate care for trauma and seriously ill patients, as well as injury prevention, research, public education, and continuing education for rural providers, have experienced increased costs for care provided to out-of-country indigent residents. Currently, taxpayers of the county bear the added costs incurred by the centers which provide health care to these indigent residents. This bill would require the Texas Board of Health to adopt minimum standards and objectives to implement a system that encourages hospitals to provide tertiary medical services and increases the availability of these services, as well as providing funding for those services.

### **PURPOSE**

As proposed, H.B. 2573 requires the Texas Board of Health to adopt minimum standards and objectives to implement a system that encourages hospitals to provide tertiary medical services and increases the availability of these services, and provides funding for those services.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Board of Health in SECTION 1 (Sections 46.003 and 46.006, Health and Safety Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 2B, Health And Safety Code, by adding Chapter 46, as follows:

#### **CHAPTER 46. TERTIARY MEDICAL CARE**

Sec. 46.001. DEFINITIONS. Defines “tertiary care facility” and “tertiary medical services.”

Sec. 46.002. DESIGNATION OF FACILITIES. Requires the Texas Department of Health (TDH) to designate tertiary care facilities (facilities) that meet this chapter’s requirements to provide tertiary medical services.

Sec. 46.003. DUTIES OF BOARD; RULES. (a) Requires the Texas Board of Health (board), by rule, to adopt minimum standards and objectives to implement a system that encourages hospitals to provide tertiary medical services and increases the availability of these services.

(b) Requires that the rules make certain provisions with respect to geographic areas, services by facilities, and the patients they serve.

(c) Requires the rules to include certain guidelines, criteria, requirements, standards, and assurances regarding facilities and the population they service.

Sec. 46.004. DENIAL, SUSPENSION, OR REVOCATION OF DESIGNATION. Authorizes TDH to deny, suspend, or revoke a designation as a facility if the facility does not comply with rules adopted under this chapter. Provides that the denial, suspension, or revocation of a designation by TDH and the appeal from that action are governed by the board’s rules for a contested case hearing and by Chapter 2001, Government Code.

Sec. 46.005. TERTIARY CARE FACILITY ACCOUNT. Provides that the facility account is an account in the state treasury. Authorizes money in the account to be appropriated only to TDH for the purposes of this chapter. Provides that the account is composed of money appropriated to the account and any other funds required to be put in the account. Authorizes TDH to seek and accept gifts, grants, and donations from any public or private entity on behalf of the account. Provides that Section 403.095, Government Code, is inapplicable to the account. Requires five percent of the total amount in the account to be held in reserve for each fiscal year and authorizes it to be used only for reimbursement of unpaid tertiary medical services provided as a result of extraordinary emergencies occurring during that year. Provides that of the amount remaining, no more than five percent may be used for the costs of administering the account.

Sec. 46.006. COLLECTION OF INFORMATION. (a) Requires each facility to submit to TDH, in the manner and time required, information relating to unreimbursed tertiary medical services provided to persons residing outside the service area of the county, public hospital, or hospital district responsible for indigent health care under Chapter 61, Health and Safety Code, in the area where the facility is located. Requires the board to adopt rules governing the collection of this information.

Sec. 46.007. CERTIFICATION TO COMPTROLLER. (a) Requires TDH to certify to the comptroller of public accounts (comptroller) for each facility the cost of unreimbursed tertiary medical services it provides to persons residing outside the service area of the county, public hospital, or hospital district responsible for indigent health care under Chapter 61, Health and Safety Code, in the area where the facility is located.

(b) Requires TDH, on a yearly basis, to make for a facility that was designated as a tertiary care facility during the previous year, an initial certification to the comptroller under Subsection (a) in an amount equaling 80 percent of that certified under this section for a facility in the previous year. Requires TDH to make a subsequent certification of the cost of additional unreimbursed tertiary medical services provided by the facility on receipt from the facility of the required information under Section 46.006, Health and Safety Code.

(c) Requires TDH to allocate the amount available under Section 46.005, Health and Safety Code, to each facility based on the percentages computed by dividing the cost of the facility's unreimbursed tertiary medical services, if in any year, the cost of services certified under Subsection (a) for all designated facilities exceeds the amount available for payment to the facilities under that section.

(d) Provides that the cost of each service provided is the average amount payable under Medicare for services for the Medicare diagnosis related groups that must be provided by a facility to qualify for designation under the minimum standards adopted under this chapter for the purposes of this section and Section 46.008, Health and Safety Code.

Sec. 46.008. CERTIFICATION OF EMERGENCIES. Requires TDH, for the purposes of reimbursement under this chapter, to certify an extraordinary emergency under certain conditions. Requires TDH to certify to the comptroller the amount of unreimbursed tertiary medical services incurred by a facility during an emergency if one is declared under Subsection (a).

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.