

BILL ANALYSIS

Senate Research Center

C.S.H.B. 2573
By: Wolens (Nelson)
Health Services
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Committee Report (Substituted)

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, C.S.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 46.002(a) and (b) and 46.004(b), 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,” “tertiary medical services,” “stabilization services,” “unreimbursed tertiary medical services,” and “unreimbursed stabilization services.”

Sec. 46.002. RULES. Authorizes the Texas Board of Health (board), to adopt rules to implement a system that encourages hospitals to provide tertiary medical services and stabilization services. Requires the rules to address certain issues concerning tertiary medical services.

Sec. 46.003. TERTIARY CARE ACCOUNT. Provides that the tertiary care account (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 and stabilization 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. Requires the account to be allocated for payment to tertiary care facilities and level IV trauma centers for unreimbursed tertiary medical services and stabilization services, as provided for in Section 46.005 and 46.006.

Sec. 46.004. COLLECTION OF INFORMATION. Requires each facility or level IV trauma facility that seeks payment under this chapter to submit to TDH, in the manner and time required, information relating to unreimbursed tertiary medical services or stabilization 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 or level IV trauma facility is located. Requires the board to adopt rules governing the collection of this information.

Sec. 46.005. CERTIFICATION TO COMPTROLLER OF UNREIMBURSED TERTIARY MEDICAL SERVICES. (a) Requires TDH to certify to the comptroller of public accounts (comptroller) for each facility or level IV trauma facility the cost of unreimbursed stabilization 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 or level IV trauma facility is located.

(b) Requires TDH to use no more than four percent of the appropriated money in the account to compensate facilities and level IV trauma facilities for unreimbursed stabilization services, in each fiscal year.

(c) Requires TDH, on a yearly basis, to make for a facility that operated as a tertiary care facility or level IV trauma 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 stabilization services provided by the facility on receipt from the facility of the required information under Section 46.006, Health and Safety Code.

(d) Requires the comptroller, each year, to pay a facility or level IV trauma facility the certified amount determined under Subsection (a) from the funds specified under Section 46.003(f), except as provided by Subsection (e).

(e) 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 stabilization services, if in any year, the cost of services certified under Subsection (a) for all facilities exceeds the amount available for payment to the facilities under that section. Requires the comptroller to pay each facility based on the allocation made under this subsection.

(f) Provides that the cost of each service provided by a facility is the average amount payable under Medicare reimbursement policies for that service.

Sec. 46.006. CERTIFICATION TO COMPTROLLER OF UNREIMBURSED STABILIZATION SERVICES. (a) Requires TDH to certify to the 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 to use at least 86 percent of the appropriated money in the account to compensate facilities for unreimbursed tertiary medical services, in each fiscal year.

(c) Requires TDH, on a yearly basis, to make, for a facility that operated 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.

(d) Requires the comptroller, each year, to pay a facility the certified amount determined under Subsection (a) from the funds specified under Section 46.003(f), except as provided by Subsection (e).

(e) 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. Requires the comptroller to pay each facility based on the allocation made under this subsection.

(f) Provides that the cost of each service provided by a tertiary care facility is the average amount payable under Medicare reimbursement policies for that service.

Sec. 46.007. 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 or stabilization services or transportation services incurred by a facility or a level IV trauma facility during an emergency if one is certified under Subsection (a).

Sec. 46.008. Requires the comptroller to pay, each year, the certified amount determined under Subsection (b) from the funds specified under Section 46.003(e) to a facility or a level IV trauma facility. Requires TDH to allocate the amount available under Section 46.003(e) to each facility based on the percentages computed by dividing the cost of the facility's or provider unreimbursed services by the total cost of all facilities' unreimbursed services, under certain conditions. Requires the comptroller to pay each facility or level IV trauma facility based on the allocation made under this subsection.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Provides that this Act takes effect only if a specific appropriation for the implementation of this Act is provided in H.B. No. 1 (General Appropriations Act). Provides that if no specific appropriation is provided in H.B. No. 1, this Act has no effect.

SECTION 4. Emergency clause.