

BILL ANALYSIS

Senate Research Center
76R5714 SMJ-F

S.B. 753
By: Madla
State Affairs
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As Filed

DIGEST

Currently, a local mental health and mental retardation center (MHMR center) may maintain a limited purpose health maintenance organization (HMO). The MHMR center is a local governmental organization and must adhere to the Open Meetings and Records Act (Act), so its affiliate must also adhere to the Act. As a result of the openness, however, sensitive records, such as pricing contracts, are available to competitors, foiling the participation of the public entity in managed care reform. Granting an exemption to the special HMOs for certain sensitive activities, already enjoyed by the governing board of a municipal hospital, municipal hospital authority, and hospital district, would protect pricing contract information from competitors, while leaving all other matters in the domain of open government. S.B. 753 exempts certain publicly held HMOs activities from the open meeting requirements.

PURPOSE

As proposed, S.B. 753 exempts certain publicly held health maintenance organization activities from the open meetings law requirements.

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 Section 551.085, Government Code, as follows:

Sec. 551.085. New heading: GOVERNING BOARD OF CERTAIN PROVIDERS OF HEALTH CARE SERVICES. Establishes that this chapter does not require the governing board of a nonprofit health maintenance organization created under Section 534.101, Health and Safety Code, to conduct an open meeting for certain deliberations. Makes conforming changes.

SECTION 2. Amends Sections 534.101(c) and (d), Health and Safety Code, to require a nonprofit corporation to disclose in an open meeting, rather than in writing to the Texas Department of Mental Health and Mental Retardation, the services to be provided by a certain community center. Requires notice of the meeting to be posted in accordance with Sections 551.041, 551.043, and 551.054, Government Code. Requires the board of the nonprofit corporation to provide public notice and to offer an opportunity for public comment.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.