

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1348
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 83rd Legislature passed S.B. 1623 (Hinojosa) to allow the counties of Hidalgo, Cameron, and Webb to create a Local Provider Participation Fund (LPPF) to draw down their share of federal dollars to fund initiatives that improve quality of and access to health care along the Texas-Mexico border.

These counties serve the largest uninsured population in the United States—in Hidalgo County almost 40 percent of residents are uninsured, compared to 24 percent of Texans as a whole.

Because no hospital district exists in this region, the counties were faced with leaving over \$540 million on the table that would have been available through the Texas Transformation and Quality Improvement Federal 1115 Waiver.

Creating the LPPF in 2013 allowed the participating counties to find a local solution to their funding shortfall that allowed the communities to access federal dollars (1) without increasing property taxes, (2) without cost to insured or uninsured patients, and (3) without requesting any funding from the state.

1115 Waiver payments are now available to local hospitals in these three counties, and they have been able to implement Delivery System Reform Incentive Payment (DSRIP) projects focused on increasing access to care and improving patient outcomes as well as implementing new residency programs.

S.B. 1348 will remove the sunset provision that is currently in statute, which provides a sunset date of December 31, 2016. Now that the LPPF is in place and operating successfully with enormous benefits to our communities and families the sunset provision is no longer necessary.

The substitute changes the definition of an "institutional health care provider" from a nonpublic hospital "licensed under Chapter 241" to a nonpublic hospital "that provides inpatient hospital services."

Some nonpublic hospitals are not licensed under Chapter 241. This substitute language ensures that all nonpublic hospitals are included in the definition.

The new language is consistent with federal requirements that require that all hospitals be involved. Specifically, a non-Chapter 241 psychiatric hospital is slated to open in Cameron County this year and if the language is not changed, the Cameron County program would be inadvertently carved-out.

The new language is also consistent with the language being used for all of the other LPPF bills currently pending in the legislature.

C.S.S.B. 1348 amends current law relating to the operations of health care funding districts in certain counties located on the Texas- Mexico border.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 288.001(4), Health and Safety Code, to redefine "institutional health care provider" to mean a nonpublic hospital that provides inpatient hospital services, rather than a nonpublic hospital licensed under Chapter 241 (Hospitals).

SECTION 2. Repealer: Section 288.0032 (Expiration of Chapter; Distribution of Funds on Expiration), Health and Safety Code.

SECTION 3. Effective date: upon passage or September 1, 2015.