

BILL ANALYSIS

Senate Research Center
86R8534 JSG-F

H.B. 2326
By: Meyer et al. (Hancock)
Administration
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A local provider participation fund (LPPF) is a fund established by hospital districts in which they pool resources to provide indigent care, activating a provision of federal law known as the 1115 waiver which draws down federal funds at a roughly 60:40 ratio. Currently, there are 19 such funds created under Texas law.

During the 85th Regular Session, the Texas Legislature passed H.B. 4300, creating the Dallas County LPPF. Since passage, the Dallas County LPPF has drawn down \$242.1 million in federal funds. The fund costs no state tax dollars; it only collects federal funds and mandatory payments from member hospitals. The statute explicitly prohibits hospitals from passing mandatory payment expenses on to patients as surcharges.

Under current law, the LPPF will sunset December 31, 2019. S.B. 1060 extends the sunset date to December 31, 2025. Reauthorization of the LPPF has unanimous support from Dallas County hospitals, including Baylor Scott & White, Children's Health HCA/Medical City Healthcare, Parkland Health, Methodist Health System and Texas Health Resources.

H.B. 2326 amends current law relating to the continuation of a health care provider participation program by the Dallas County Hospital District.

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 298A.004, Health and Safety Code, as follows:

Sec. 298A.004. EXPIRATION. (a) Provides that, subject to Section 298A.153(d) (relating to authorizing the district to only assess and collect certain mandatory payments), the authority of the Dallas County Hospital District to administer and operate a program under this chapter (Dallas County Hospital District Health Care Provider Participation Program) expires December 31, 2025, rather than December 31, 2019.

(b) Provides that this chapter expires December 31, 2025, rather than December 31, 2019.

SECTION 2. Effective date: September 1, 2019.