

## CHAPTER 1117

## S.B. No. 1327

## AN ACT

relating to the administration, powers, duties, and financing of the Willacy County Hospital District; granting the authority to issue bonds.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Sections 2, 3, and 4, Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971, are amended to read as follows:

Sec. 2. PURPOSE OF THE DISTRICT. The district herein authorized to be created shall provide for the *medical and hospital care of its needy inhabitants, as required by Article IX, Section 9, of the Texas Constitution and this Act* [~~establishment of a hospital system within the boundaries of the district by the purchase, construction, acquisition, repair, or renovation of buildings and equipment, and equipping same, and the administration thereof for hospital purposes and related services~~].

Sec. 3. ELECTION TO CREATE A DISTRICT AND LEVY OR INCREASE TAX.  
(a) The district shall not be created, nor shall any tax therein be authorized unless and until such creation and such tax are approved by a majority of the qualified *voters* [~~taxpaying electors~~] of the area of the proposed district voting at an election called for that purpose. Such election may be called by the Commissioners Court of Willacy County upon its own motion or shall be called by said Commissioners Court upon presentation to it of a petition therefor signed by at least 100 qualified *voters* [~~taxpaying electors~~] of the area of the proposed district. Such election shall be held not less than 45 nor more than 90 days from the date the election is ordered. The order calling the election shall specify the date, place or places of holding the election, the form of ballot, the presiding judge and alternate judge for each voting place, and provide for clerks as in county elections. The election order shall provide that each Commissioner's precinct in Willacy County shall constitute one election precinct. Notice of election shall be given by publishing a substantial copy of the election order in newspaper or newspapers which individually or collectively provide general circulation in the county or district once a week for two consecutive weeks, the first publication to appear at least 30 days prior to the date established for the election. The failure of such election shall not operate to prohibit the calling and holding of subsequent elections for the same purpose; provided, however, that no district election for confirmation shall be held within 12 months after any preceding district election for confirmation.

(b) At the time of the election to create the district and to elect directors, there shall be submitted to the legally qualified *voters* [~~taxpaying electors~~] of the area of the proposed district the proposition of whether the hospital district shall be created with the authority to levy annual taxes at a rate as follows:

(1) Six cents on the One Hundred Dollar (\$100) valuation of all taxable property situated within the district, subject to hospital district taxation, for a period not to exceed four years, for the purpose of purchase, construction, acquisition, repair, or renovation of a hospital building within the district and providing facilities therein. The board may use the proceeds of this tax for the paying of the interest on and the creating of a sinking fund for bonds issued under the provisions of this Act, and for the purpose of paying off warrants, bonds, or other obligations of the district incurred in connection with the construction and acquisition of facilities and equipment under the purposes of this Act.

(2) Two cents on the One Hundred Dollar (\$100) valuation of taxable property situated within the district subject to hospital district taxation for the purpose of meeting the requirements of the district's maintenance and operation expenses, and the district's expenses in connection with the care of the indigent, provided, however, *the total tax rate for hospital district purposes* [~~this rate of two cents on the One Hundred Dollar (\$100) valuation of taxable property situated within the district for the purpose of meeting the requirements of the district's maintenance and operation expenses, and the district's expenses in connection with the care of the indigent,~~] may be *increased* [~~raised~~] to a rate not to exceed *fifteen* [~~four~~] cents on the One Hundred Dollar (\$100) valuation upon the approval of a [~~two-thirds~~ (<sup>2/3</sup>)] majority of the qualified voters [~~taxpaying electors~~] in the district voting in an election called and held for this purpose. *The board of directors shall order an election on the question of increasing the rate to be held on the January uniform date prescribed by the Election Code. Except as otherwise provided by this subsection, the election shall be ordered and notice of the election shall be given in the same manner as provided by Subsection (a) of this section for ordering and giving notice of an election authorizing creation of the district. The ballot for the election must be printed to permit voting for or against the proposition: "The levy of annual taxes by the board of directors of the Willacy County Hospital District for hospital and health care purposes at a rate not to exceed 15 cents on each \$100 valuation on all taxable property in the district subject to hospital district taxation." The board of directors shall meet and canvass the returns of the election. If the board finds that the election results are favorable to the proposition, the board may levy taxes as authorized by the proposition. If the board finds that the election results are not favorable to the proposition, another election on the question of raising the amount of taxes that may be levied may not be called and held before the first anniversary of the most recent election at which voters disapproved the proposition* [, called by the board of directors of the district giving notice of such election in a newspaper or newspapers which individually or collectively provide general circulation in the district one time at least sixty days prior to the date of election.

[(3) The form of ballot used in the election for the creation of the district shall be in conformity with Sections 61 through 63, Texas Election Code, as amended (Articles 6.05-6.07, Vernon's Texas Election Code), so that ballots may be cast "FOR" or "AGAINST" the following ballot proposition: "The creation of Willacy County Hospital District, following for the levy of a tax not to exceed six cents on each \$100 valuation for a period of four years for construction and equipment and a tax of two cents per \$100 valuation for maintenance and operation."]

[(4) Within 10 days after such election is held, the Commissioners Court of Willacy County shall convene and canvass the returns of the election, and if a majority of the qualified taxpaying electors voting at said election vote in favor of the proposition, they shall so find and declare the hospital district established and created].

Sec. 4. ELECTION OF BOARD OF DIRECTORS. (a) *The district is governed by a nine-member board of directors. Two members are elected from each commissioner precinct and one member is elected from the district at large. The two candidates receiving the most votes from a commissioner precinct are the directors for that precinct, and the candidate receiving the most votes from the district at large is the director for the district at large. Directors serve for staggered terms of two years and until their successors are elected and qualified. The terms of the directors elected from odd-numbered precincts and the term of the director from the district at large expire each even-numbered year, and the terms of the directors elected from even-numbered precincts expire each odd-numbered year* [At the election to create a district, the qualified voters of each Commissioner's precinct in the proposed hospital district shall receive a separate ballot to elect two directors for such precinct to manage and control the affairs of the district, such ballot to be as prescribed by the Commissioners Court of Willacy County, Texas].

(b) To qualify for election to the board a person must be a *qualified voter and a resident of the district. In addition, a person who is elected from a commissioner precinct or who is appointed to fill a vacancy for a commissioner precinct must be a resident of that commissioner precinct* [at least 21 years of age; own property subject to

~~taxation therein and have been a property taxpaying elector residing within the district for six months immediately prior to the election].~~

~~(c) [Any person who is qualified to serve on the board of directors and who desires to have his name placed upon the ballot shall file his name with the Commissioners Court at least 30 days prior to the date of the first election.~~

~~(d) There shall be a balloting place in each election precinct, to be designated by the Commissioners Court of Wilcox County, and each Commissioner's precinct shall elect two directors from the resident qualified taxpaying electors of such precinct. Each elector may vote for two candidates within his precinct.~~

~~(e) The two persons receiving the highest number of votes at the election in each respective Commissioner's precinct shall constitute the first board of directors of the district. The director in each Commissioner's precinct receiving the highest number of votes shall hold office until the second regular election of directors or until his successor is elected and has qualified. Each of the remaining directors shall serve following their election until the first regular election and until each of their successors is elected and has qualified.~~

~~(f) Every year [two years], on the January uniform election date [first Saturday in June, after the first election as above provided], an election shall be held for the purpose of electing the appropriate number of directors to the board.~~

~~(g) A director holds office for a term of four years except as provided in Subparagraph "e" above.~~

~~(h) A vacancy on the board of directors shall be filled by appointment of the board of directors for the remainder of the unexpired term by a majority vote of the remaining members of the board of directors[, and should there be a tie vote for any of the directors, as provided in Subparagraph "e" above, then the president of the board shall determine by lot which of the elected directors involved in tie vote shall serve for a four-year term].~~

~~(i) Notice of each election for directors[, after the first election,] shall be published in a newspaper or newspapers which individually or collectively provide general circulation in the district one time at least 90 days prior to the date of the election. Any person desiring to have his name printed on the ballot as a candidate for director [after the first election provided in Subparagraph "e" above] shall file a petition with the secretary of the board of directors, signed by at least 10 qualified voters [taxpaying electors] asking that such name be printed on the ballot. Such petition shall be filed with the secretary at least 30 days prior to the date of the election. *The petition must specify the commissioner precinct the person wishes to represent or specify that the person wishes to represent the district at large* [The qualified electors within each Commissioner's precinct shall elect one candidate as a director at each election after the first election. The candidate receiving the largest number of votes in each precinct shall be elected as director from that Commissioner's precinct].~~

~~(j) Neither the administrator, or employees of the district, nor a member of the staff thereof or employee of a member of the staff of the hospital shall be eligible to serve as a director.~~

SECTION 2. Subsections (a) and (e), Section 5, Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971, are amended to read as follows:

(a) When a person is elected to the board of directors he shall qualify for office by executing the constitutional oath of office, a written oath and a good and sufficient surety bond for \$5,000.00 [~~\$1,000.00~~] payable to the district, conditioned upon the faithful performance of his duties, such bond to be in the form prescribed by the board of directors. *The bond shall be kept in the permanent records of the district. The board may pay for directors' bonds with district funds.*

(e) The directors shall serve without compensation *but may be reimbursed for actual expenses incurred in the performance of official duties. Those expenses must be reported in the district's minute book or other district records and must be approved by the board* [~~of any kind~~].

SECTION 3. Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971, is amended by amending Sections 6, 7, and 8 and by adding Sections 8A, 8B, 8C, and 8D to read as follows:

Sec. 6. OPERATION OF THE DISTRICT. (a) The board of directors shall manage, control, and administer the *district's services* [~~hospital system~~] and all funds and resources of the district, but in no event shall any operating, depreciation, or building fund reserves be invested in any funds or securities other than those specified in Articles 836 or 837, Revised [~~Civil~~] Statutes [~~of Texas, 1925, as amended~~]. The district, through its board of directors, shall have the power and authority to sue and be sued, and shall be entitled to all causes of action and defenses enjoyed by similar authorities, and to promulgate rules and regulations governing the operation of the hospital, hospital system, its staff, and its employees. The board of directors shall appoint a qualified person to be known as the administrator or manager of the hospital district and may in its discretion appoint an assistant or assistants to the administrator or manager. Such administrator or manager and assistant administrator or manager, if any, shall serve at the will of the board and shall receive such compensation as may be fixed by the board. The administrator or manager shall, upon assuming his duties, execute a surety bond payable to the hospital district in an amount and form to be set by the board of directors, in no event less than \$5,000.00, conditioned upon his faithful performance of the duties required of him, and containing such other conditions as the board may require. The administrator or manager shall supervise all the work and activities of the district and shall have general direction of the affairs of the district, subject to such limitations as may be prescribed by the board. The board of directors shall have the authority to appoint to or dismiss from the staff such doctors as it may deem necessary for the efficient operation of the district[, ] and may provide for temporary appointments to the staff if warranted by circumstances. The board may delegate to the administrator or manager the authority to employ technicians, nurses, and employees of the district. *The board may provide retirement benefits for employees of the district by establishing or administering a retirement program or by electing to participate in the Texas County and District Retirement System or in any other statewide retirement system in which the district is eligible to participate.* Such board shall be authorized to contract with any other political subdivision or governmental agency whereby the district will provide investigatory or other services as to the medical, hospital, or welfare needs of the inhabitants of the district and shall be authorized to contract with any county or incorporated municipality located outside its boundaries for the care and treatment of sick, diseased, or injured persons of any such county or municipality[, ] and shall have the authority to contract with the State of Texas or agencies of the Federal government for the treatment of sick, diseased, or injured persons.

Sec. 7. AUDIT AND BUDGET. (a) The district shall be operated on the basis of a fiscal year commencing on July 1 of each year and ending on June 30 of the following year, and it shall cause an independent annual audit to be made of the financial condition of said district, which, together with other records of the district, shall be open to inspection at the principal office of the district; such audit shall be made covering each fiscal year, and the same shall be filed at the office of the district upon approval by the board of directors. The administrator or manager shall prepare an annual budget for approval by the board of directors. The budget shall also contain a complete financial statement of the district showing all outstanding obligations of the district, the funds received from all sources during the previous year, the funds available from all sources during the ensuing year, the balances expected at the end of the year in which the budget is being prepared, estimated revenues and balances available to cover the proposed budget, the estimated tax rate which will be required, the proposed expenditures and disbursements, and the estimated receipts and collections for the following fiscal year. A public hearing on the annual budget shall be held each year by the board of directors after notice of such hearing has been published one time at least 10 days before the date of public hearing. Notice of the budget hearing shall be published in a newspaper or newspapers which individually or collectively provide general circulation in the hospital district. Any *resident* [~~property taxpayer~~] of the district shall have the right to be present and participate in said hearings. At the conclusion of the hearing, the budget, as

proposed by the administrator, shall be acted upon by the board of directors. The board of directors shall have authority to make such changes in the budget as in their judgment the law warrants and the interest of the *residents* [~~taxpayers~~] demands.

Sec. 8. *GENERAL OBLIGATION BONDS.* [(a)] The board of directors shall have the power and authority to issue and sell its bonds in the name and upon the faith and credit of such hospital district for the purchase, construction, acquisition, repair, or renovation of buildings and improvements, [~~and~~] equipping the same for hospital purposes, and *for the acquisition and operation of a mobile emergency medical service, and for the provision of medical services* [~~for any and all such purposes~~]. At the time of the issuance of any bonds by the district a tax shall be levied by the board sufficient to create an interest and sinking fund to pay the interest on and principal of said bonds as same mature, providing such tax together with any other taxes levied for said district shall not exceed the rate of tax voted under the provisions of Section 3 of this Act. *The* [~~No bonds shall be issued by such~~] hospital district *may not issue general obligation bonds until the bonds are* [~~except refunding bonds when and until~~] authorized by a majority of the qualified voters [~~electors~~] of the district [~~who own taxable property therein and who have duly rendered the same for taxation~~] voting at an election called and held for such purpose. The order for bond election shall specify the date of the election, the amount of bonds to be authorized, the maximum maturity thereof, the maximum rate of interest they are to bear, and the place or places where the election shall be held, [~~the presiding judge and alternate judge for each voting place and provide for clerks as in county elections~~]. Notice of any bond election shall be given as provided in Article 704, Revised [~~Civil~~] Statutes. *Except as otherwise provided by this section, the election shall be held in accordance with the applicable provisions of the Election Code* [~~of Texas, 1925, as amended, and shall be conducted in accordance with the general laws of Texas pertaining to general elections, except as modified by the provisions of this Act~~].

Sec. 8A. *REVENUE BONDS.* *The board of directors may issue revenue bonds to purchase, construct, acquire, repair, equip, or renovate buildings or improvements for hospital purposes, acquire sites to be used for hospital purposes, or acquire and operate a mobile emergency medical service. The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system. The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of district property. The bonds must be issued in the manner provided by Sections 8, 10, 11, 12, and 13, County Hospital Authority Act (Article 4494r, Vernon's Texas Civil Statutes), for issuance of revenue bonds by county hospital authorities.*

Sec. 8B. *REFUNDING BONDS.* [(b)] Refunding bonds of the district may be issued for the purpose of refunding and paying off any outstanding bonded indebtedness of the district. *The bonds must be issued in the manner provided by Chapter 784, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-3, Vernon's Texas Civil Statutes).* Such refunding bonds may be sold and the proceeds thereof applied to the payment of outstanding bonded indebtedness, or may be exchanged in whole or in part for not less than a like principal amount of such outstanding bonded indebtedness, provided that, if refunding bonds are to be exchanged for a like amount of said outstanding bonded indebtedness, such refunding bonds shall bear interest at the same or a lower rate than borne by the bond debt refunded, unless it is shown mathematically that a saving will result in the total amount of interest to be paid on said refunding bonds. *If* [~~and provided further that if~~] such refunding bonds are to be sold and the proceeds thereof applied to the payment of any such outstanding bonded indebtedness, same shall be issued and payments made in the manner specified by Chapter 503, Acts of the 54th Legislature, 1955 [~~as amended~~] (Article 717k, Vernon's Texas Civil Statutes).

Sec. 8C. *INTEREST AND MATURITY; EXECUTION.* [(c)] Bonds of the district shall bear interest not to exceed *that provided by Chapter 3, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-2, Vernon's Texas Civil Statutes), and* [~~seven per centum per annum,~~] shall finally mature within 50 [40] years of their date. *The bonds*[,] shall be executed in the name of the hospital district and in its behalf by the president of the board and countersigned by the secretary in the manner provided by *the*

*Texas Uniform Facsimile Signature of Public Officials Act* [~~Chapter 204, Acts of the 57th Legislature, 1961, as amended~~] (Article 717j-1, Vernon's Texas Civil Statutes). *District bonds are*, ~~and shall be~~ subject to the same requirements in the matter of approval by the Attorney General of Texas and registration by the Comptroller of Public Accounts of the State of Texas as are by law provided for approval and registration of bonds issued by counties. Upon the approval of such bonds by the Attorney General and registration by the Comptroller of Public Accounts, the same shall be incontestable for any cause.

*Sec. 8D. BONDS AS INVESTMENTS AND AS SECURITY FOR DEPOSITS. (a) District bonds and indebtedness assumed by the district are legal and authorized investments for:*

- (1) banks;
- (2) savings banks;
- (3) trust companies;
- (4) savings and loan associations;
- (5) insurance companies;
- (6) fiduciaries;
- (7) trustees;
- (8) guardians; and
- (9) sinking funds of cities, counties, school districts, and other political subdivisions of the state and other public funds of the state and its agencies, including the permanent school fund.

(b) *District bonds are eligible to secure deposits of public funds of the state and of cities, counties, school districts, and other political subdivisions of the state. The bonds are lawful and sufficient security for deposits to the extent of their value if accompanied by all unmatured coupons.*

SECTION 4. Sections 11, 12, 13, and 14, Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971, are amended to read as follows:

Sec. 11. PURCHASES AND EXPENDITURES. The board of directors of such district shall have the power to prescribe the method and manner of making purchases and expenditures by and for such hospital district, and shall also be authorized to prescribe all accounting and control procedures. All contracts for construction ~~[or purchases]~~ involving the expenditure of more than \$10,000.00 ~~[\$5,000.00]~~ may be made only after *competitive bidding as* ~~[advertising in the manner]~~ provided by Chapter 770, Acts of the 66th Legislature, Regular Session, 1979 (Article 2368a.3 ~~[163, Acts of the 42nd Legislature, 1931, as amended (Article 2368a)],~~ Vernon's Texas Civil Statutes). The provisions of Article 5160, Revised ~~[Civil] Statutes [of Texas, 1925],~~ relating to performance and payment bonds shall apply to construction contracts let by the district. The district may acquire equipment for its use in the hospital system and mortgage or pledge the property so acquired as security for the payment of the purchase price, subject to the provisions of this Act; but any such contract shall provide for the entire obligation of the district to be retired within not more than five years from the date of the contract. Except as permitted in *this section* ~~[the preceding sentence]~~ and as permitted by Sections 7, 8, 8A, 8B, and 9, the district may incur no obligation payable from any revenues of the district (taxes or otherwise) except those on hand or to be on hand within the then current and following fiscal year of the district.

Sec. 12. DEPOSITORY. (a) The board of directors of the district, upon its qualification and each two years thereafter, shall name one or more banks within its boundaries to serve as depository for the funds of the district. All funds of the district (except those invested as provided in Section 6, and those transmitted to a bank or banks in payment for bonds or obligations issued or assumed by the district) shall be deposited as received with the depository bank and shall remain on deposit, provided that nothing herein shall limit the power of the board to place a portion of such funds on time deposit or purchase certificates of deposit or obligations of or those guaranteed by the United States.

(b) Before the district deposits funds in a bank in an amount that exceeds the maximum amount secured by the Federal Deposit Insurance Corporation, the bank must execute a bond or other security in an amount sufficient to secure from loss the district funds that exceed the amount secured by the Federal Deposit Insurance Corporation.

Sec. 13. LEVY OF TAX. (a) The board of directors *may* [shall] annually levy a tax of not to exceed the amount hereinabove permitted. *The taxes may be used to pay the indebtedness issued or assumed by the district and for the maintenance and operation of the district.*

(b) [for the purpose of:

~~[(1) Paying the interest on and creating a sinking fund for bonds and other obligations which may be issued or assumed by the hospital district for hospital purposes as provided herein.~~

~~[(2) Providing for the operation and maintenance of the hospital district and hospital system; and~~

~~[(3) For the purpose of making further improvements and additions to the hospital system.]~~ In setting such tax rate, the board shall take into consideration the income of the district from sources other than taxation. Upon determination of the amount of tax required to be levied, the board shall make such levy and certify the same to the tax assessor-collector of said district.

(c) [(b)] The directors shall have the authority to levy taxes for the entire calendar year in which the district is established as the result of the election herein provided. *The board shall levy taxes on all property in the district subject to taxation.*

Sec. 14. TAX ASSESSMENT AND COLLECTION [~~COLLECTION AND VALUATION~~]. *The Tax Code governs the appraisal, assessment, and collection of district taxes. The board of directors may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code [All taxes of the district shall be assessed and collected in accordance with Section 3 above, and in the same manner as provided by law with relation to County taxes. The tax assessor and collector of the county in which said district is located shall be charged and required to accomplish the assessment and collection of all taxes levied by and on behalf of the district. The assessor-collector of taxes shall charge and deduct from payments to the hospital district an amount as fees for assessing and collecting the taxes at a rate of three-fifths (3/5) of one percent (1%) of the taxes assessed and one-half (1/2) of one percent (1%) of the taxes collected, provided, however, for delinquent taxes collected the fee may be fifteen percent (15%). In no event shall the amount paid exceed \$5,000.00 in any one calendar year. Such fees shall be deposited in the officers' salary fund of the county and reported as fees of office of the county tax assessor-collector. Interest, penalties and discount on taxes paid to the hospital district shall be computed in the same manner as in the case of county taxes. The residue of tax collections after deduction of discounts and fees for assessing and collecting shall be deposited in the district's depository. The bond of the county tax assessor-collector shall stand as security for the proper performance of his duties as assessor-collector of the district; or, if, in the judgment of the district board of directors, it is necessary, an additional bond payable to the district may be required, and the premium thereon shall be paid by the district. In all matters pertaining to the assessment, collection and enforcement of taxes for the district, the county tax assessor-collector shall be authorized to act in all respects according to the laws of the State of Texas relating to county taxes, except as herein specified].*

SECTION 5. Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971, is amended by amending Section 16 and by adding Sections 16A and 16B to read as follows:

Sec. 16. ELIGIBILITY FOR HEALTH CARE SERVICES. (a) *The district shall provide health care assistance as prescribed by this Act to each eligible resident of the district.*

(b) A person is eligible for health care assistance from the district if the person resides within the district and meets the basic income and resources eligibility requirements established by the district.

(c) Not later than the beginning of the district's operating year, the district shall specify the procedures it will use during the operating year to determine eligibility and the documentation required to support a request for assistance and shall make a reasonable effort to notify the public of the procedures. The district shall furnish each applicant with written application forms and, on request of an applicant, shall assist the applicant in filling out forms and completing the application process. The district shall inform each applicant of the availability of assistance.

(d) The district shall require each applicant to sign a written statement in which the applicant swears to the truth of the information supplied. The district shall explain to the applicant that if the application is approved, the applicant must report to the district any change in income or resources that might affect the applicant's eligibility not later than the 14th day after the date on which the change occurs. The district shall also explain the possible penalties for failure to report a change.

(e) The district shall accept and review each application and shall accept or deny each application not later than the 14th day after the date on which the district received the completed application. The district shall provide a process for reviewing applications and for allowing an applicant to appeal a denial of assistance. The district shall also provide each applicant written notification of the district's decision. If the district denies assistance, the written notification shall include the reason for the denial and an explanation of the procedure for appealing the denial.

(f) The district shall maintain the records relating to each application for at least three years after the date on which the application was submitted.

(g) ~~If an applicant is denied assistance, the applicant may resubmit an application at any time circumstances justify a redetermination of eligibility [INQUIRY INTO ABILITY TO PAY. Whenever a patient residing within the district has been admitted to the facilities thereof, the administrator or manager may cause inquiry to be made as to his circumstances and those of the relatives of such patient legally liable for his support. If he finds that such patient or said relatives are able to pay for his care and treatment in whole or in part, an order shall be made directing such patient or said relatives to pay to the hospital district for the care and support of such patient a specified sum per week in proportion to their financial ability. The administrator or manager shall have power and authority to collect such sums from the estate of the patient or his relatives legally liable for his support in the manner provided by law for collection of expenses in the last illness of a deceased person. If the administrator or manager finds that such patient or said relatives are not able to pay, either in whole or in part for his care and treatment in such hospital, same shall become a charge upon the hospital district as to the amount of the inability to pay. Should there be any dispute as to the ability to pay or doubt in the mind of the administrator or manager, the board of directors shall hear and determine same after calling witnesses, and shall make such order or orders as may be proper. Appeals from the final order of the board shall lie to the district court. The substantial evidence rule shall apply].~~

Sec. 16A. HEALTH CARE SERVICES. (a) The district shall provide the inpatient and outpatient hospital services and physician services a county is required to provide under Section 3.01(a), Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes). The district shall also provide maternal labor and delivery services in the district.

(b) The district may arrange to provide health care services through a local health department, a publicly owned facility, a contract with a private provider regardless of the provider's location, or through the purchase of insurance for eligible residents. The district may affiliate with other hospital districts or public hospitals or with a governmental entity to provide regional administration and delivery of health care services. The district may also select one or more providers of health care services and, except in an emergency, when medically inappropriate, or when care is not available, require eligible residents to obtain care from a provider.



(c) *If the district has selected a mandated provider, the district may require the mandated provider to obtain approval from the district before providing nonemergency health care services to an eligible resident of the district. If the district has not selected a mandated provider, the provider of nonemergency health care assistance shall inform the district of any nonemergency health care services provided to that patient as prescribed by this section. If a provider delivers or will deliver nonemergency health care services to a patient that the provider suspects might be eligible for assistance under this Act, as soon as possible after determining that the patient resides in the district, the provider must notify the district by telephone that health care services have been or will be provided to that patient. The provider must also notify the district by mail postmarked not later than the third working day after determining that the patient resides in the district. If the provider knows that the district has selected a mandated provider or if, after contacting the district, the district requests that the patient be transferred to a mandated provider, the provider shall transfer the patient to the mandated provider unless it is medically inappropriate to transfer the patient.*

(d) *If a patient who is eligible for assistance under this Act requires emergency services from a nonmandated provider, the provider must notify the district as provided by this subsection. If a provider delivers emergency services to a patient who the provider suspects might be eligible for assistance under this Act, as soon as possible after determining that the patient resides in the district, the provider must notify the district by telephone that emergency services have been or will be provided to that patient. The provider must also notify the district by mail postmarked not later than the third working day after determining that the patient resides in the district. The provider shall attempt to determine if the patient resides in the district at the time the patient first receives services.*

(e) *The provider, the patient, and the patient's family shall cooperate with the district in determining if the patient is an eligible resident of the district.*

(f) *Not later than the 14th day after the district receives sufficient information to determine eligibility, the district shall determine if the patient is eligible for assistance. If the district does not determine the patient's eligibility within the 14-day period, the patient is considered to be eligible. The district shall notify the provider of its decision.*

(g) *If a provider who delivers emergency or nonemergency services to a patient who is eligible for assistance under this Act fails to comply with this section, the provider is not eligible for payment for the services from the district.*

**Sec. 16B. PAYMENT OF SERVICES.** (a) *To the extent prescribed by this Act, the district is liable for health care services provided under this Act by any provider, including another hospital district or public hospital, to an eligible resident of the district.*

(b) *The payment rates and limits prescribed by Sections 4.02 and 4.03, Indigent Health Care and Treatment Act (Article 4438f, Vernon's Texas Civil Statutes), that relate to county services apply to inpatient and outpatient hospital services and physician services the district is required to provide if the district is not able to provide the services or emergency services that are required and the services are provided elsewhere.*

**SECTION 6.** Sections 18 and 19, Chapter 323, Acts of the 62nd Legislature, Regular Session, 1971, are amended to read as follows:

**Sec. 18. LIMITATION ON OTHER GOVERNMENTAL ENTITIES [PROHIBITION OF OTHER HOSPITAL FACILITIES].** After creation of the hospital district, no municipality or political subdivision within the boundaries of the district shall have the power to levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care. The district [said hospital] shall assume full responsibility for providing health care services [hospital care] for the indigents residing within the district; subject to other provisions of this Act.

Sec. 19. STATE SUPPORT. The support and maintenance of the hospital [~~system of the~~] district and any indebtedness incurred by the district under this Act shall never become a charge against nor an obligation of the State of Texas, nor shall any direct appropriation be made by the Legislature of the State of Texas for the construction, maintenance, or improvement of any of the facilities of the district.

SECTION 7. All resolutions, orders, and other acts or attempted acts of the board of directors of the Willacy County Hospital District, and all proceedings of that district, authorizing the issuance of bonds of the district, including voted but unissued bonds of the district, bond elections, all taxes voted for and collected, and all contracts are validated in all respects. All the resolutions, orders, and other acts or attempted acts of the board of directors of the district, all proceedings of the district, the district's bonds, bond elections, tax authorization and collection, pledged revenues, and contracts shall be valid as though they had originally been duly and legally authorized or accomplished.

SECTION 8. (a) An election shall be held on the January uniform election date in 1988 to elect nine new directors for the Willacy County Hospital District. The candidates elected from odd-numbered precincts at this election and the candidate elected from the district at large serve two-year terms. The candidates elected from the even-numbered precincts at the election serve for one-year terms.

(b) The terms of the persons serving as directors of the Willacy County Hospital District on the effective date of this Act expire when the directors elected under Subsection (a) of this section qualify for office.

SECTION 9. This Act takes effect September 1, 1987.

SECTION 10. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 7, 1987, by a viva-voce vote; and that the Senate concurred in House amendment on May 28, 1987, by a viva-voce vote. Passed the House, with amendment, on May 27, 1987, by a non-record vote.

Approved June 20, 1987.

Effective Sept. 1, 1987.