

SUMMARY OF HOSPITAL DISTRICT DISTRIBUTION RULE, 34 TAC 16.222

SUMMARY OF RULE:

Rule 16.222 provides administrative, transparency, oversight, and accountability provisions governing the Texas Opioid Abatement Fund Council's (O AFC) distribution of settlement funds and hospital districts' receipt of those funds. The rule implements part of Senate Bill (SB) 1827, 87th Legislature, Regular Session, requiring a portion of money received from statewide settlement agreements to be distributed to hospital districts.

The rule prioritizes the smallest rural hospital districts by distributing one-time floor payments up front. The rule then shifts distributions to the remaining medium, large, and urban hospital districts.

The rule defines allowable uses of hospital district settlement funds by linking them to O AFC's existing priorities and court orders and settlement agreements, as applicable. The rule allows O AFC to monitor hospital districts' use of funds.

The rule provides accountability by allowing O AFC to cancel distributions if hospital districts fail to use funds for allowable uses, as defined by the rule. The rule allows the O AFC to instruct the director to provide hospital districts with written notice of failure to comply and opportunities to respond to and cure the alleged failure to comply. The rule also allows O AFC to require hospital districts to refund money they received and enables O AFC to withhold future distribution payments from hospital districts failing to comply with the rules.

SECTION-BY-SECTION SUMMARY OF THE RULE:

Rule 16.222 governs O AFC's allocation and distribution of money received from statewide opioid settlement agreements to all hospital districts in Texas under Government Code, 403.508(a)(2), as enacted by Senate Bill 1827, 87th Legislature, R.S., 2021. This provision requires 15 percent of money received from statewide settlement agreements and allocated to the O AFC to be distributed to hospital districts.

Subsection (a) requires O AFC to make periodic distributions of money allocated to hospital districts.

Subsection (b) describes when money will be distributed to hospital districts by O AFC.

Subsection (c) provides that the total amount of each distribution of money to hospital districts will be determined by O AFC.

Subsection (d) explains how the initial distribution of money will be allocated to hospital districts—distributing to rural hospital districts first and distributing the remainder to medium, large and urban hospital districts.

Subsection (e) describes how subsequent distributions of money will be allocated to the medium, large, and urban hospital districts.

Subsection (f) lists the specific hospital districts that will receive money only from the initial distribution by O AFC and the amount of money each of the listed hospital districts will receive from the initial distribution. Under the formula, small rural hospital districts without a hospital will receive \$25,000 and rural hospital districts with a hospital will receive \$75,000.

• Figure 1 lists specific hospital districts that will receive a one-time, lump sum floor distribution.



Subsection (g) lists the specific hospital districts that will be distributed money during the subsequent distributions by O AFC and the percentage that will be used to calculate the distribution to each of the listed hospital districts. Under the formula, medium, large, and urban hospital districts will receive a pro rata share of remaining distributions based on their actual or estimated uncompensated care costs attributable to the opioid crisis.

• Figure 2 lists the periodic distribution to medium, large, and urban hospital districts.

Subsection (h) allows O AFC to round amounts of money allocated to individual hospital districts down to the nearest whole dollar. It also requires O AFC to retain any remaining money caused by rounding for future allocation to hospital districts.

Subsection (i) sets forth the requirements for hospital districts to receive a distribution of money from O AFC.

Subsection (j) requires money received by a hospital district to be used by the hospital district to remediate the opioid crisis, including providing assistance in one or more of the categories described in subsection (i)(1)(B):

- treatment and coordination of care;
- prevention and public safety;
- recovery support services; or
- workforce development and training; or
- if a court order or settlement agreement requires the money to be used for one or more specific purposes, for a permissible use provided by that court order or settlement agreement.

Subsection (k) allows O AFC to cancel a distribution of money to a hospital district and retain the money for future allocation to hospital districts if the hospital district does not satisfy the requirements to receive a distribution of money from O AFC under subsection (i).

SUMMARY OF HOSPITAL DISTRICT DISTRIBUTION RULE (CONTINUED)

Subsection (l) requires a hospital district that receives a distribution of money from O AFC to submit periodic reports to the O AFC’s director to ensure compliance with the permitted uses of the money distributed. It also allows the O AFC’s director to determine the frequency, format and requirements of the reports.

Subsection (m) allows the O AFC to monitor a hospital district that receives money under this section to ensure compliance with the permissible uses of the money distributed.

Subsection (n) allows the O AFC to take action if it finds that a hospital district has failed to comply with the requirement to use funding to remediate the opioid crisis as provided by Subsection (j). This section allows the council to:

- instruct the O AFC director to provide the hospital district with written notice of the failure to comply;
- provide the hospital district with an opportunity to respond;
- require the hospital district to cure the failure to comply to the satisfaction of the O AFC;
- require the hospital district to refund all or a portion of the money the hospital district received under the rule; and
- exercise any other legal remedies available at law.

Subsection (o) requires money refunded under Subsection (n) to be retained by the O AFC for future allocation to hospital districts under the rule.

Subsection (p) provides that, except as otherwise provided in this section, this section and Section 16.200 of this subchapter are the only provisions in this subchapter that apply to the allocation of money to hospital districts under Government Code, Section 403.508(a)(2).

FIGURE 1 – GROUP 1: ONE-TIME FLOOR DISTRIBUTION TO SMALL RURAL HOSPITAL DISTRICTS, 34 TAC §16.222(F)

HOSPITAL DISTRICT	DOLLAR AMOUNT
Anson Hospital District	\$75,000
Baylor County Hospital District	\$75,000
Big Bend Regional Hospital District (Presidio County)	\$75,000
Chillicothe Hospital District	\$25,000
Cothran County Hospital District	\$75,000
Farwell Hospital District	\$25,000
Follett Hospital District	\$25,000
Grapeland Hospital District	\$25,000
Hamlin Hospital District	\$25,000
Higgins-Lipscomb Hospital District	\$25,000
Knox County Hospital District	\$75,000
Moore County Hospital District (Sherman County)	\$75,000
Motley County Hospital District	\$25,000
Moulton Community Medical Clinic District	\$25,000
Muleshoe Area Hospital District (Parmer County)	\$75,000
Nixon Hospital District (Gonzales County)	\$25,000
Nixon Hospital District (Wilson County)	\$25,000
Olney-Hamilton Hospital District (Archer County)	\$75,000
Olney-Hamilton Hospital District (Young County)	\$75,000
Rockdale Hospital District	\$25,000
Stamford Hospital District (Haskell County)	\$75,000
Stonewall County Hospital District	\$75,000
Texhoma Memorial Hospital District	\$25,000
Trinity Memorial Hospital District	\$25,000
Yoakum Hospital District (DeWitt County)	\$75,000
Yoakum Hospital District (Gonzales County)	\$75,000

FIGURE 2 – GROUP 2: PERIODIC PRO RATA DISTRIBUTIONS TO MEDIUM, LARGE, AND URBAN HOSPITAL DISTRICTS, 34 TAC §16.222(G)

HOSPITAL DISTRICT	PERCENTAGE
Andrews County Hospital District	0.160436
Angleton-Danbury Hospital District	0.087401
Ballinger Memorial Hospital District	0.048834
Bellville Hospital District	0.030757
Bexar County Hospital District	8.831295
Big Bend Regional Hospital District (Brewster County)	0.086809
Booker Hospital District	0.041340
Bosque County Hospital District	0.109186
Burleson County Hospital District	0.061548
Caprock Hospital District	0.030328
Castro County Hospital District	0.057357
Chambers County Public Hospital District #1	0.050792
Childress County Hospital District	0.085801
Coleman County Hospital District	0.058634
Collingsworth County Hospital District	0.033171
Comanche County Consolidated Hospital District	0.098162
Concho County Hospital District	0.048098
Crane County Hospital District	0.127267
Crosby County Hospital District	0.041915
Culberson County Hospital District	0.106176
Dallam-Hartley Counties Hospital District (Dallam County)	0.082007
Dallam-Hartley Counties Hospital District (Hartley County)	0.057700
Dallas County Hospital District	19.311689
Darrouzett Hospital District	0.010292
Dawson County Hospital District	0.100566
Deaf Smith County Hospital District	0.132610
DeWitt Medical District	0.088160

SUMMARY OF HOSPITAL DISTRICT DISTRIBUTION RULE (CONTINUED)

FIGURE 2 – (CONTINUED)

HOSPITAL DISTRICT	PERCENTAGE		
Dimmit County Regional Hospital District	0.101862	Karnes County Hospital District	0.245865
Donley County Hospital District	0.012935	Kimble County Hospital District	0.057192
East Coke County Hospital District	0.017775	Lavaca Hospital District	0.038789
Eastland Memorial Hospital District	0.080398	Liberty County Hospital District #1	0.097548
Ector County Hospital District	1.389853	Lockney General Hospital District	0.030328
El Paso County Hospital District	4.086865	Lubbock County Hospital District	3.117222
Electra Hospital District	0.057164	Lynn County Hospital District	0.068226
Fairfield Hospital District (Freestone County)	0.075729	Marion County Hospital District	0.013217
Fairfield Hospital District (Navarro County)	0.182265	Martin County Hospital District	0.536509
Fisher County Hospital District	0.036581	Matagorda County Hospital District	0.242180
Foard County Hospital District	0.025084	Maverick County Hospital District	0.230514
Frio Hospital District	0.118072	McCamey County Hospital District	0.195824
Gainesville Hospital District	0.133475	McCulloch County Hospital District	0.096240
Garza County Health Care District	0.020118	Medina County Hospital District	0.137682
Gonzales Healthcare Systems	0.118063	Menard County Hospital District	0.039541
Graham Hospital District	0.068916	Midland County Hospital District	0.930275
Guadalupe Regional Medical Center	0.420866	Mitchell County Hospital District	0.449405
Hall County Hospital District	0.012862	Montgomery County Hospital District	0.799270
Hamilton Hospital District	0.083725	Moore County Hospital District (Hartley County)	0.058939
Hansford County Hospital District	0.066245	Moore County Hospital District (Moore County)	0.113487
Hardeman County Hospital District	0.043279	Muenster Hospital District	0.044014
Harris County Hospital District	24.079880	Muleshoe Area Hospital District (Bailey County)	0.042112
Haskell County Hospital District	0.040501	Nacogdoches County Hospital District	0.279208
Hemphill County Hospital District	0.216620	Nocona Hospital District	0.040821
Hopkins County Hospital District	0.313847	Nolan County Hospital District	0.095098
Houston County Hospital District	0.068250	North Runnels County Hospital District	0.048564
Hunt Memorial Hospital District	0.632366	North Wheeler County Hospital District	0.045530
Hutchinson County Hospital District	0.123171	Nueces County Hospital District	3.578256
Iraan General Hospital District	0.163113	Ochiltree County Hospital District	0.051051
Jack County Hospital District	0.084793	Palo Pinto County Hospital District	0.225589
Jackson County Hospital District	0.090823	Parker County Hospital District	0.525020
		Parmer County Hospital District	0.056361
		Rankin County Hospital District	0.329975
		Reagan Hospital District	0.240518
		Reeves County Hospital District	1.638256
		Refugio County Memorial Hospital District	0.072700
		Rice Hospital District	0.072287
		Sabine County Hospital District	0.046051
		San Augustine City-County Hospital District	0.040244
		Schleicher County Hospital District	0.103173
		Scurry County Hospital District	0.235290
		Seminole Hospital District	0.219679
		Shackelford County Hospital District	0.039956
		Somervell County Hospital District	0.126352
		South Limestone Hospital District	0.057054
		South Randall County Hospital District	0.023023
		South Wheeler County Hospital District	0.068073
		Stamford Hospital District (Jones County)	0.045020
		Starr County Hospital District	0.118579
		Stephens Memorial Hospital District	0.054833
		Stratford Hospital District	0.028007
		Sutton County Hospital District	0.040993
		Sweeney Hospital District	0.286515
		Swisher Memorial Hospital District	0.044587
		Tarrant County Hospital District	11.563455
		Teague Hospital District	0.013292
		Terry Memorial Hospital District	0.078520
		Titus County Hospital District	0.216698
		Travis County Hospital District	7.332843
		Tyler County Hospital District	0.071789
		Val Verde County Hospital District	0.367525
		Walker County Hospital District	0.330399
		West Coke County Hospital District	0.022889
		West Wharton County Hospital District	0.123683
		Wilbarger County Hospital District	0.104538
		Willacy County Hospital District	0.016233
		Wilson County Memorial Hospital District	0.084803
		Winkler County Hospital District	0.094278
		Winnie Stowell Hospital District	0.054735
		Wood County Central Hospital District	0.119451