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THE COUNTY OF LIBERTY

Office of the County Attorney
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February 28, 2005

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OPINION COMMITTEE

Ms. Nancy Fuller
Division Chief, Opinion Committee
Office of the Attorney General
P.O. Box 12548
Austin, Texas 78711-2548

FILE # ML-44142-05

ID. # 044142

RQ-0322-GA

Re: Request for Attorney General's Opinion regarding calculating the allocation of indigent health care funds from County's budget to newly formed Hospital District which does not comprise the entire geographic area of the County.

Dear Ms. Fuller:

I am requesting an Attorney General's Opinion regarding the correct statistical data and formula to use to allocate and transfer the County's budgeted indigent health care funds to the newly formed Liberty County Hospital District #1 which was created by special election pursuant to Health & Safety Code, Chapter 286.

The geographic area of the newly formed district is wholly within Liberty County, however the hospital district does not comprise the entire county. The law is clear that the county has to convey or transfer its operating funds and reserves for operating expenses and funds that have been budgeted by the County for medical care for its residents to the district. Section 286.071 Health & Safety Code states in pertinent part:

"On creation of a district, a county, municipality, or other governmental entity in which the district is located shall convey or transfer to the district:

(1) title to land, buildings, improvements, and equipment related to the hospital system located wholly in the district that are owed by the county, municipality, or other governmental entity in which the district is located;

(2) operating funds and reserves for operating expenses and funds that have been budgeted by the county, municipality, or other governmental entity in which the district is located to provide medical care for residents of the district for the remainder of the fiscal year in which the district is established;

(3) taxes levied by the county, municipality, or other governmental entity in which the district is located for hospital purposes for residents of the district for the year in which the district is created; and

(4) funds established for the payment of indebtedness assumed by the district.”

The county is requesting guidance to establish the appropriate method for determining how to proportion the county's budgeted funds for the current years indigent health care when the hospital district that was created does not include the entire county. It appears there are three different ways to determine the proportion of county funds to be transferred to the newly formed hospital district:

- (1) multiply the budgeted funds remaining for the year by the ratio derived from calculating the county's population residing within the district divided by the county's population for the entire county;
- (2) multiply the budgeted funds remaining for the year by the ratio derived from calculating the geographical area inside the district divided by the geographical area of the entire county; or
- (3) multiply the budgeted funds remaining for the year by the ratio derived from calculating the county's indigent population that resides in the district divided by the county's indigent population for the entire county.

These three calculations could result in allocations made to the district that would be substantially different. Since the duty remains for the County to provide indigent health care for its citizens outside the boundaries of a hospital district, the correct calculation is paramount for an equitable distribution of these funds. The question remains, can the county use any one of these calculations, at its discretion, and still be within the legal parameters of Health & Safety Code section 286.071?

If I can provide further information to assist in answering these questions, please do not hesitate to contact me.

Sincerely,


MARK BEAUSOLEIL
1ST Asst. County Attorney

MB/kf

cc: County Judge Lloyd Kirkham
Commissioner Melvin Hunt
Commissioner Lee Groce
Commissioner Todd Fontenot
Commissioner Norman Brown