



Patrick B. Haggerty
District 78

Committees:
Corrections - Chair
Licensing & Administrative Procedures

RQ-0407-9C

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July 26, 2001

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OPINION COMMITTEE

The Honorable John Cornyn
Office of Attorney General
Attn: Susan Gusky, Chair
Opinion Committee
P.O. Box 12548
Austin, Texas 78711-2548

FILE # ML-42080-01
I.D. # 42080

Re: Opinion request regarding county-tax supported hospitals signing exclusive contracts with any one PPO insurance company in a non-HMO area

Dear General Cornyn:

I am writing to respectfully request an Attorney General's Opinion on a matter of significant importance to the large number of state employees located in the numerous counties of Texas. Many hospitals are county-tax supported entities and provide a majority of the requisite medical services. In many areas with high concentrations of state employees, the Employees Retirement System of Texas is the number one set insurance provider for the area.

The legal question which arises is as follows: "Can a county-tax supported hospital/clinic sign an exclusive contract with any one PPO insurance company in a non-HMO area?"

If several doctors and surgeons were to service a clinic outside of a county-tax supported hospital and have petitioned to become a provider, can the hospital itself sign an exclusive contract for all services. Attached you will find a dictation of a similar situation encountered in Texas. Dr. Larry P. Boyle has provided the detailed information.

Thank you for your kind attention to this opinion request. Should you require any further clarification, or if I may provide additional information regarding this situation, please do not hesitate to contact me.

Sincerely,

Patrick Haggerty, Chair
House Corrections Committee