

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 21, 2003

TO: Honorable Carlos Uresti, Chair, House Committee on Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB429 by Chisum (Relating to excluding certain nursing institutions from the requirement to maintain liability insurance coverage for health care liability claims.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would exclude certain institutions from Section 242.0372, Health and Safety Code, which requires mandatory professional liability insurance for nursing facilities and is scheduled to go into effect on September 1, 2003. The Department of Human Services has estimated that 23 institutions would be excluded from Section 242.0372 under the provisions of the bill.

Although there is no significant fiscal impact on rates pursuant to this section during the fiscal year 2002-2003 biennium, the required professional liability insurance is a Medicaid eligible expense, and as such could be included in the provider rate structure. However, current appropriations do not reflect these expenditures and enactment of this bill would not result in a savings from that level of funding.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 324 Department Of Human Services, 454 Department Of Insurance

LBB Staff: JK, EB, KF, ML