

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: HB546 by Wohlgemuth (Relating to liability insurance coverage for certain nursing institutions.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would repeal Section 242.0372 of the Health and Safety Code, which requires mandatory professional liability insurance for nursing facilities and is scheduled to go into effect on September 1, 2003.

Although there is no significant fiscal impact on rates pursuant to this section during fiscal years 2002-2003, the mandatory professional liability insurance is a Medicaid eligible expense and as such could be included in the provider rate structure. The Department of Human Services has estimated that for fiscal year 2004 the impact of the required insurance would be \$69,494,319 in All Funds, of which \$27,644,840 would be State Funds, and for fiscal year 2005 the impact would be \$70,346,634 in All Funds, of which \$27,983,891 would be State Funds.

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, 503 Board Of Medical Examiners, 529 Health And Human Services Commission

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