

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 19, 2003**

**TO:** Honorable Joe Nixon, Chair, House Committee on Civil Practices

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB588** by Duncan (Relating to liability insurance coverage for certain nursing institutions.),  
**As Engrossed**

**No significant fiscal implication to the State is anticipated..**

The bill would delay implementation of Section 242.0372, Health and Safety Code, until September 1, 2005. Section 242.0372 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 the FY 2002-03 biennium, the insurance is a Medicaid eligible expense and as such could be included in the provider rate structure.

Current appropriations do not reflect any expenditure for liability insurance pursuant to this section and enactment of this Legislation would not result in a savings of State funds.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 324 Department of Human Services

**LBB Staff:** JK, GO, RR, KF, ML