

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

TO: Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2420 by Chavez (Relating to the allocation of federal funds directed to be used to support graduate medical education in connection with the state Medicaid program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend section 32.0315 of the Human Resources Code to provide a separate formula to be used for Medicaid Graduate Education (GME) reimbursement to support the training of resident physicians in an accredited residency program with a primary field of allopathic or osteopathic medicine meeting certain criteria, including sponsorship of or affiliation of the residency program with a public university, including clinical training in a federally qualified health center and in a hospital near the Mexico border and serving patients in a rural area. The Health and Human Services Commission (HHSC) states that it is assumed that the increases required under the provisions of the bill would be offset by reductions to other entities and that there would be no net increase in expenditures.

The effective date is September 1, 2005.

Local Government Impact

According to HHSC, depending on the manner in which the GME reimbursement methodology would be modified pursuant to the provisions of the bill, there could be local governmental hospitals that could receive reduced GME reimbursement.

Source Agencies: 529 Health and Human Services Commission, 709 Texas A&M University System Health Science Center, 720 The University of Texas System Administration, 739 Texas Tech University Health Sciences Center, 763 University of North Texas Health Science Center at Fort Worth

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