

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 18, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB2618 by Eiland (Relating to county expenditures for certain health care services.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would allow counties to count funding given to Federally Qualified Health Centers (FQHCs), regardless of whether the county chose FQHC services as an optional service under Section 61.0285 of the Health and Safety Code, toward meeting the 8 percent spending threshold a county must surpass to receive state assistance funding under Chapter 61, Health and Safety Code. Currently, a county must choose FQHCs as an optional service to count these expenditures toward the 8 percent threshold.

The Department of State Health Services (DSHS) indicates that there would be no fiscal impact to the state. However, there could be the potential for more counties to qualify for and seek assistance under this program. In fiscal year 2004, only 7 out of the 20 counties receiving state assistance under this program chose FQHCs as an optional service. Under this arrangement, more counties may reach the 8 percent threshold to qualify for state assistance and they may do so more quickly; however, once the state assistance fund has been depleted, there would be no further state assistance available to the counties. While the state would not be required to provide additional assistance to the counties, if two more counties qualified for state assistance, for example, the potential cost could be \$428,420 per year (average cost of assistance per county was \$214,210 in 2004).

Local Government Impact

The fiscal impact would vary by county, depending on the number of counties with FQHCs that would qualify for the state assistance program. According to DSHS, there are 128 counties with no hospital district; of those counties there are 33 with an FQHC site/clinic in the county.

Source Agencies: 537 Department of State Health Services

LBB Staff: JOB, KF, LW, PP, DLBa