

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Ray Allen, Chair, House Committee on County Affairs

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 Introduced**

No 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 clients served meet the eligibility criteria of the program, towards meeting the 8 percent spending threshold a county must surpass to receive state assistance funding under Chapter 61, Health and Safety Code.

The Department of State Health Services indicates that there would be no fiscal impact to the state. Counties may more quickly surpass the 8 percent threshold and qualify for state assistance; however, once the state assistance fund has been depleted, there is no further state assistance available to the counties. The state assistance fund may be depleted more rapidly than in previous years, but the state would not be required to provide additional assistance to the counties.

Local Government Impact

The fiscal impact would vary by county, depending on the number of persons served for which the formula would apply and whether the county would choose FQHCs as an optional service. According to the Department of State Health Services, in fiscal year 2004, only seven out of the 20 counties receiving state assistance funds chose the FQHCs as an optional service. Four of the seven counties were polled and responded that they would no longer select FQHCs as an optional service if the bill were passed. There were a total of 142 counties in fiscal year 2004 that were not fully served by a hospital district or public hospital.

Source Agencies: 537 Department of State Health Services

LBB Staff: JOB, PP, DLBa, LW