

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 14, 2007**

**TO:** Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

**IN RE: SB551** by Deuell (Relating to indigent health care.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB551, Committee Report 2nd House, Substituted: a negative impact of (\$27,799,061) through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2008	(\$13,909,160)
2009	(\$13,889,901)
2010	(\$13,889,901)
2011	(\$13,889,901)
2012	(\$13,889,901)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>
2008	(\$13,909,160)
2009	(\$13,889,901)
2010	(\$13,889,901)
2011	(\$13,889,901)
2012	(\$13,889,901)

**Fiscal Analysis**

The bill would increase the net income eligibility level for the County Indigent Health Care program from 21 to 25 percent of the federal poverty level.

The bill would also increase from \$30,000 to \$35,000 per fiscal year the maximum county liability for health care services for each resident eligible for the County Indigent Health Care program. This could result in additional counties expending 8 percent of their general revenue tax levy on indigent health care, which could result in additional counties qualifying for reimbursement from the state. This could also result in counties expending 8 percent of their general revenue tax levy more quickly in a fiscal year, which could result in more health care costs qualifying for reimbursement from the state. It is assumed this provision would not result in significant costs to the state, but the actual costs would depend on the number of residents eligible for the County Indigent Health Care program with health

care costs in excess of \$30,000 per fiscal year.

### **Methodology**

The Department of State Health Services (DSHS) estimates an annual cost of \$13,867,020 in General Revenue due to increasing the minimum income eligibility standard for the County Indigent Health Care program. Due to this change, DSHS estimates 60 additional counties would qualify for state assistance under the program at an average cost per county of \$231,117.

DSHS estimates travel costs of \$42,140 in General Revenue in fiscal year 2008 and \$22,881 in General Revenue in fiscal years 2009-2012 to provide quality assurance reviews for the additional counties.

### **Local Government Impact**

The bill would increase the minimum income eligibility standard for the County Indigent Health Care program, which would result in an estimated 60 additional counties qualifying for state assistance.

The bill could increase health care costs for counties in the County Indigent Health Care program by increasing the maximum county liability per eligible resident. The actual costs to the counties would depend on the number of residents eligible for the County Indigent Health Care program with health care costs in excess of \$30,000 per fiscal year. The bill could also result in increased revenue for counties that newly qualify or that qualify earlier in a fiscal year for reimbursement from the state under the County Indigent Health Care program.

**Source Agencies:** 537 State Health Services, Department of, 539 Aging and Disability Services, Department of, 694 Youth Commission, 696 Department of Criminal Justice, 772 School for the Deaf

**LBB Staff:** JOB, KJG, CL, PP, SSt