

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 4, 2009**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

**IN RE: SB8** by Nelson (Relating to the administration, powers, and duties of the Texas Health Services Authority.), **Committee Report 1st House, Substituted**

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

The bill would amend the Health and Safety Code relating to the Texas Health Services Authority (THSA) (referred to as the "corporation" in statute). The bill would provide for administrative attachment of the THSA to the Health and Human Services Commission (HHSC). It would expand the governing board to include the executive commissioner of HHSC, the commissioner of the Department of State Health Services, the commissioner of insurance, the executive director of the Employees Retirement System, the executive director of the Teacher Retirement System, and the state Medicaid director. It would require the corporation to research and promote numerous strategies and standards, including best practice standards, care integration, and revisions to payment methodologies. The board would establish at least two advisory committees.

The corporation would conduct studies on 1) payment incentives to increase access to primary care and 2) development of payment methodologies based on risk-adjusted episodes of care. The results of the studies would be submitted to the legislature not later than January 1, 2011. The bill would repeal Section 182.102 (a) related to prohibited acts of the corporation.

There is not sufficient information available about the current staffing and workload level of the THSA to make an estimate of fiscal impact to the state. The bill specifies that HHSC would be responsible for paying staff salaries and benefits and providing administrative services. However, the bill also specifies that the chief executive officer and the medical director are not employees of HHSC. HHSC would reimburse the advisory committee members' travel, if provided for in the General Appropriations Act. HHSC would also request and receive appropriations on behalf of THSA. Without information on the THSA current operations, it is not feasible to estimate a fiscal impact.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission, 537 State Health Services, Department of

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