

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 7, 2011**

**TO:** Honorable Bill Callegari, Chair, House Committee on Government Efficiency & Reform

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

**IN RE: HB1875** by Kolkhorst ( Relating to the repeal of certain health programs, task forces, and councils, to the review of certain health programs, councils, centers, and divisions under the Texas Sunset Act, and to the transfer of certain functions to the Department of State Health Services; providing penalties.), **Committee Report 1st House, Substituted**

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

The bill amends various chapters of Government Code and Health and Safety Code, abolishing certain health programs, task forces, and councils and subjecting others to review under the Sunset Act.

**Council/Task Force Abolishment**

Sections 56 - 58 of the bill repeal the following codes and in most cases abolish associated programs on September 1, 2011: Health and Safety Code, Chapter 104 concerning the Statewide Health Coordinating Council; Health and Safety Code, Chapter 108 concerning the Texas Health Care Information Council; and Health and Safety Code, Chapter 109 concerning the Texas Health Care Policy Council.

Section 51 amends Health and Safety Code, Chapter 1001 by adding Subchapter G, Submission and Collection of Health Care Data, which includes most of the provisions from the repealed Chapter 108 (Texas Health Care Information Council) and directs the Department of State Health Services (DSHS) to perform primarily the same health care information collection activities that the abolished council performed.

Section 59 abolishes the Interagency Obesity Council, which pursuant to the bill would be replaced by a program called the Obesity Coordination Effort. The newly established Obesity Coordination Effort would require institutions of higher education that receive state funding for obesity research to jointly review certain programs and submit a report to the Governor and Legislature.

Any savings associated with the abolishment of the Statewide Health Coordinating Council, the Texas Health Care Policy Council, and the Interagency Obesity Council is not anticipated to be significant. It is also assumed that any additional costs required of institutions of higher education associated with the newly established Obesity Coordination Effort could be absorbed within existing institution resources.

**Fees**

Section 51 of the bill permits DSHS to charge fees for the request of provider quality data to offset expenses incurred by DSHS in collecting and providing the data. Revenue from such a fee is not estimated at this time.

**Sunset Provisions**

The bill makes 28 DSHS programs, activities, and entities and the Health Disparities Task Force administered by the Health and Human Services Commission subject to abolition on September 1, 2019 as if they were government agencies subject to the Texas Sunset Act, Government Code, Chapter 325.

The additional workload will likely result in costs to the Sunset Advisory Commission during the 2018-2019 biennium; however, an amount cannot be reasonably estimated. DSHS also assumes future costs associated with these additional Sunset requirements and anticipates having to outsource the preparation of the reports to Sunset required by Government Code, §325.011, given this additional demand.

### **Civil Penalty**

Section 48 of the bill amends Health and Safety Code, Chapter 311 to authorize imposition of a civil penalty for hospitals that fail to provide financial and utilization data to DSHS as required by Health and Safety Code, §311.033. If DSHS is able to retain any civil penalties recovered in court by the Office of the Attorney General, those additional funds would constitute a gain in revenues. However, the amount of such new revenue cannot be estimated because the number of hospitals from which DSHS might seek penalties is completely dependent on how many hospitals, if any, fail to provide requested financial and utilization data in a timely manner.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 359 Office of Public Insurance Counsel, 529 Health and Human Services Commission, 537 State Health Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

**LBB Staff:** JOB, KM, MB, JF