

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 22, 2011

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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

IN RE: HJR22 by Simpson (Proposing a constitutional amendment to prohibit the state or a governmental entity in the state from providing support for the performance of an abortion or abortion-related services.), **As Introduced**

Due to a potential conflict with federal Medicaid law, any cost other than the cost of publication cannot be determined at this time.

The cost to the state for publication of the resolution is \$105,495.

The resolution would amend the Texas Constitution to prohibit any state or governmental entity in this state from providing support to a person or facility that performs abortions or provides abortion-related services. The resolution requires that the proposed constitutional amendment be submitted to voters at an election to be held on November 8, 2011.

The proposed constitutional amendment does not include an exception for cases of rape, incest, or life endangerment. Federal law requires that the Medicaid program cover abortions in cases of rape, incest, or life endangerment. Texas currently complies with this requirement; not complying with federal Medicaid law could result in the loss of all federal matching funds for the Medicaid program, an estimated \$15.0 billion each year. It is not known if or when the state could be penalized for not complying with federal Medicaid law.

There could be additional fiscal consequences for state-owned teaching hospitals that reimburse faculty using revenue from multiple sources, including state and local funds. It is unclear whether providers who perform abortions or provide abortion-related services, which are not defined, can be reimbursed by state and local entities for non-abortion-related services, which could affect many providers who provide other services through state programs including the Children's Health Insurance Program (CHIP) and Medicaid or who are staff at state-owned hospitals.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time. Local entities, including public hospitals and local health departments, could encounter similar issues regarding reimbursements for non-abortion-services.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of, 696 Department of Criminal Justice, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 769 University of North Texas System Administration

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