

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 10, 2013

TO: Honorable Joseph Pickett, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1656 by Eiland (Relating to funding for emergency medical air transportation provided to patients enrolled in the state Medicaid program; imposing a surcharge.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1656, As Introduced: a positive impact of \$19,247,712 through the biennium ending August 31, 2015.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$9,623,856
2015	\$9,623,856
2016	\$9,623,856
2017	\$9,623,856
2018	\$9,623,856

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Revenue Gain/(Loss) from Emergency Medical Air Transportation, New GR-D Account	Probable (Cost) from Emergency Medical Air Transportation, New GR-D Account
2014	\$9,623,856	\$9,623,856	(\$9,623,856)
2015	\$9,623,856	\$9,623,856	(\$9,623,856)
2016	\$9,623,856	\$9,623,856	(\$9,623,856)
2017	\$9,623,856	\$9,623,856	(\$9,623,856)
2018	\$9,623,856	\$9,623,856	(\$9,623,856)

Fiscal Analysis

The bill would amend the Health and Safety Code, Chapter 773 to create the Emergency Medical Air Transportation General Revenue-Dedicated Account. The bill would authorize appropriation of the funds in this account only to the Health and Human Services Commission (HHSC) to make reimbursements to emergency medical air transportation services in Medicaid.

The bill would require the executive commissioner of HHSC, in consultation with emergency medical air transportation providers, to adopt rules for utilizing the new account to reimburse emergency medical air transportation providers and to maximize federal funding for the reimbursements.

The bill would amend the Code of Criminal Procedure to create a \$5 criminal court cost to be assessed against persons convicted of a moving violation in municipal, justice, and county courts. The bill would require the clerk of the respective courts to collect the costs and deposit them to the county or municipal treasury, and for the custodian of the county or municipal treasury to submit the the collections Comptroller of Public Accounts (CPA) on a quarterly basis. The bill would require the CPA to deposit related revenues to the new Emergency Medical Air Transportation account.

The cost of court added by the bill applies only to an offense committed on or after the effective date of the bill. The bill takes effect September 1, 2013.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature. The bill would exempt the new account from availability for certification by the Comptroller of Public Accounts; this provision would still besubject to the funds consolidation review process.

Methodology

HHSC indicates emergency medical air transportation is currently a Medicaid-covered benefit. Assuming the continuation of current reimbursement methodology, any new revenues submitted to the Emergency Medical Air Transportation General Revenue-Dedicated Account that are appropriated to HHSC could be utilized in lieu of General Revenue Match for Medicaid for the purpose of reimbursing emergency medical air transportation. HHSC reports air ambulance services totaled \$32.0 million in All Funds in fiscal year 2012. Assuming the same level of expenditures in fiscal years 2014 and 2015, the estimated new revenue would not cover the total state portion of air emergency transportation costs, which is approximately 41 percent of the All Funds cost, but could reduce General Revenue Match for Medicaid expenditures.

According to the Office of Court Administration (OCA), in fiscal year 2012 there were an estimated 2,137,309 moving violation convictions in the municipal courts and 787,337 convictions in the justice courts, for a total of 2,924,646 convictions. Multiplying these convictions by a \$5 criminal court cost assessment for municipal and justice courts and assuming a collection rate of 65 percent, OCA estimates that the new \$5 court cost would result revenues of approximately \$9.5 million per fiscal year from these courts. In addition, in fiscal year 2012 the agency estimates that there were 1,999 moving violation convictions in the constitutional county courts and 57,379 convictions in the statutory county courts, for a total of 59,378 convictions. Multiplying these convictions by a \$5 criminal court cost assessment for the county courts and assuming a collection rate of 40 percent, OCA estimates that the new \$5 court cost would result in

revenues of approximately \$119,000 per fiscal year. New revenues for all applicable court levels are estimated to be \$9.6 million per fiscal year.

The Comptroller of Public Accounts (CPA) indicates the impact to state revenue from changes made by the bill are very similar to the estimates in the table above.

Local Government Impact

According to the Office of Court Administration, the bill does not direct any new revenue to cities or counties and therefore would have no significant fiscal impact on units of local government.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304
Comptroller of Public Accounts, 529 Health and Human Services
Commission

LBB Staff: UP, ESi, MB, ES, VJC, JJO