

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 6, 2013**

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3733** by Coleman (relating to county expenditures for certain health care services.),  
**Committee Report 1st House, Substituted**

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

The bill would amend Section 61.036 of the Health and Safety Code to authorize a county to credit an intergovernmental transfer (IGT) for waiver payments granted under Section 1315 or 1396n or as part of the state share for the disproportionate share hospital program. A county may not credit more than six percent of the county's general revenue levy in any state fiscal year.

The Health and Human Services Commission (HHSC) indicated the commission would need to process IGTs from the counties and that those costs could be absorbed within existing resources; therefore, no significant fiscal impact to HHSC is anticipated.

Current statute directs the Department of State Health Services (DSHS) to distribute state assistance funds to counties that provide certain services under Sections 61.028 and 61.0285 to eligible county residents who qualify for assistance. The funds are limited to specific services for a specific eligible population whose income is under 50 percent of the federal poverty level.

According to the analysis by DSHS, it is assumed that no additional counties will be eligible for state assistance funds due to no change in Section 61.037 that directs the state to provide funds to counties who provide specific health care services. In Section 61.036 (d), it is assumed that the methodology for reimbursing counties for state assistance will be based on the same methodology that is currently used. It is also assumed that DSHS will continue to conduct quality assurance eligibility reviews for counties receiving state assistance; and that current DSHS staff will be able to perform functions associated with the provisions of the bill; therefore, no significant fiscal impact is anticipated.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2013.

**Local Government Impact**

Local governmental entities that have IGTs would not have to use application, documentation, and verification procedures, or eligibility standards to be eligible for state assistance; therefore, no significant fiscal impact is anticipated. In addition, there could be costs to counties that do not

provide IGTs and would be required to go by application processes and eligibility standards to credit their expenditures for state assistance.

Bell County indicated that the county expended its entire 8 percent general revenue tax levy (GRTL) prior to the end of the fiscal year (August 31, 2012). Although eight percent would be the preferred amount toward the county's Indigent Health Care obligation, six percent would be acceptable if no upward change is agreed upon. The assumption is based on the expectation that the county will offer up less than the full eight percent for an estimated maximum of six percent GRTL, but possibly less, and that the amount the county agrees for IGTs will draw down sufficient funds to pay for services for eligible persons in the county Indigent Health Care Program, as well as others who do not qualify for the program, but meet the charity definitions of local hospital providers.

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

**LBB Staff:** UP, KKR, SD, TP, AM, CL