

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1623 by Hinojosa (Relating to the creation and operations of health care funding districts in certain counties located on the Texas-Mexico border.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>

The bill would amend the Health and Safety Code Chapter 288 relating to hospital districts in certain counties located on the Texas-Mexico border. The bill allows such hospital districts to establish a local provider participation fund consisting of mandatory payment revenue, refunds from the Health and Human Services Commission (HHSC) of federally unmatched intergovernmental transfers originally intended to pay the nonfederal share of Medicaid supplemental payments, and the earnings of the fund. The bill authorizes hospital districts to set mandatory payment amounts for each paying hospital at an amount that when added to the mandatory payments of all other paying hospitals in the district does not exceed six percent of aggregate net patient revenue. The bill allows money in the fund to be used to provide the nonfederal share for Medicaid supplemental payments.

The bill specifies that a hospital district established pursuant to the bill is a component of county government and is not a separate political subdivision of the state. The bill provides that Chapter 288 expires and a hospital district created thereunder is abolished December 31, 2016. The bill requires the proportional refund to paying hospitals of any funds remaining in the local provider participation fund at the time of abolishment.

The bill specifies that if a state agency determines that a waiver from a federal agency is necessary, the agency shall request the waiver and delay implementation until such waiver is received. The bill would repeal numerous existing provisions of the Health and Safety Code Chapter 288. The bill would take effect immediately if receiving a two-thirds vote of each house, otherwise the bill would take effect September 1, 2013.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to HHSC by intergovernmental transfer. The bill's amendments do not contain any implications for state General Revenue funds. It is not anticipated that the bill will result in a fiscal impact to HHSC.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, MH, AM, KKR, TP