

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

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

**April 4, 2013**

**TO:** Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

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

**IN RE:** **SB1623** by Hinojosa (Relating to the creation of a health care funding district in certain counties located on the Texas-Mexico border; authorizing the imposition of a tax.),  
**Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Health and Safety Code Chapter 288 establishing hospital districts for certain counties located on the Texas-Mexico border. The bill would establish a local provider participation fund for these districts consisting of tax revenue, refunds from the Health and Human Services Commission (HHSC) of federally unmatched intergovernmental transfers originally intended to pay the nonfederal share Medicaid supplemental payments, and the earnings of the fund. The bill states that money in the fund may be used to provide the nonfederal share for Medicaid supplemental payments.

The bill would repeal numerous existing provisions of the Health and Safety Code Chapter 288, and would take effect September 1, 2013. 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 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, KKR, MH, AM, TP