

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 30, 2015

TO: Honorable Myra Crownover, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3781** by Crownover (Relating to the creation of the Texas Health Improvement Network.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3781, Committee Report 1st House, Substituted: a negative impact of (\$4,400,000) through the biennium ending August 31, 2017.

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
2016	(\$2,200,000)
2017	(\$2,200,000)
2018	(\$2,200,000)
2019	(\$2,200,000)
2020	(\$2,200,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2016	(\$2,200,000)
2017	(\$2,200,000)
2018	(\$2,200,000)
2019	(\$2,200,000)
2020	(\$2,200,000)

Fiscal Analysis

The bill would amend the Health and Safety Code to create the Texas Health Improvement Network (THIN). The purpose of the THIN is the following: reduce the per capita costs of health care, improve individual experience of care, and improve the health of Texas residents. In

addition, the THIN would focus on evaluating and eliminating health disparities in Texas and healthcare cost-containment strategies, function as an incubator of health improvement practices, and support local communities through leadership training, data analytics, community health assessments, and grant writing support.

The THIN would be composed of participating faculty at general academic and health related public and private Texas institutions of higher education. The THIN would be administratively attached to The University of Texas (UT) System, who would coordinate the network and provide administrative support to the THIN as needed.

The bill would provide that the THIN may accept gifts and grants to fund the network. The bill would provide that the THIN, from money received by the network, may fund demonstration and pilot projects using an established, peer-reviewed award process and may also fund internships and other educational programs to prepare the health workforce. The THIN would provide a report relating to the network's efforts, findings, and projects to the legislature, state, and federal partners.

The bill would establish an advisory council for the network, including members appointed by the executive officer from UT System, representatives from The UT System, Texas A&M University System, University of North Texas System, Texas Tech University System, Baylor College of Medicine, Department of State Health Services (DSHS), and Health and Human Services Commission (HHSC). Members of the advisory committee may not receive compensation for service but may be reimbursed for travel expenses if funding is provided through the General Appropriations Act for that purpose.

Methodology

Provisions of the bill specify that the THIN would be administratively attached to UT System and therefore, it is assumed UT System would be responsible for administering funding for the THIN to provide as grants for demonstration projects, pilot projects, internships, and/or other educational programs.

The bill does not specify the level of funding to be provided for the projects or educational programs; nor the length of time the funding would be awarded to an entity. However, for the purpose of this fiscal note, it is estimated that \$2.2 million in grant funding would be provided to the THIN each fiscal year for demonstration projects, pilot projects, internships, and educational programs. Of this funding, it is estimated \$2.0 million would be used to fund demonstration or pilot projects each fiscal year with awards ranging from \$200,000 to \$1.0 million. It is estimated that \$200,000 would be provided each fiscal year to fund 50 undergraduate or graduate students working at an internship or attending educational programs in the field of population health. It is assumed each student would receive \$4,000 for a six week summer experience. It is assumed any costs for reimbursing advisory committee members for travel would be paid out of funds provided for the grant program.

This analysis assumes costs based on estimated program participation and a hypothetical funding level per project and internship. However, actual costs will be limited to amounts appropriated for that purpose.

Based on information provided by institutions of higher education, DSHS, and HHSC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. It is assumed that faculty from institutions of higher education would only participate in THIN if it would not result in a negative fiscal impact; therefore, no significant

fiscal impact is anticipated to institutions of higher education.

Local Government Impact

There could be a fiscal impact to a local health entity that chose to participate in the THIN or a local entity that received funding for a demonstration or pilot project. However, it is assumed that an entity would participate only if sufficient funds were available or it would not result in a negative fiscal impact; therefore, no significant fiscal impact is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 769 University of North Texas System Administration, 783 University of Houston System Administration, 537 State Health Services, Department of, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

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