

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 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 creation of the Texas Health Improvement Network.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB3781, As Introduced: 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 THIN would be composed of participating faculty at public and private Texas institutions of higher education, including faculty from both general academic and health related institutions, and participating state and local health agencies. The THIN would on focus

achieving the following goals: reduce the costs of health care, improve individual experience of care, and improve the health of Texas. In addition, the THIN would focus on evaluating health disparities in Texas and healthcare cost-containment strategies. The bill would establish an advisory council for the network to include Texas and national leaders on population health.

The bill would provide that the THIN, from funds appropriated for this purpose, shall fund demonstration and pilot projects using an established, peer-reviewed award process. In addition, the THIN would fund internships and other educational programs to prepare population health workforce.

Methodology

The bill does not specify an entity that would be responsible for administering funding for the THIN to provide as grants for demonstration projects, pilot projects, internships, and/or other educational programs; however, for the purpose of this fiscal note, it is assumed that the Department of State Health Services (DSHS) would provide administrative support for the network.

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.

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.

DSHS estimates, assuming the agency was expected to provide administrative support for the THIN and advisory committee, that there would be a minimal cost associated with implementing the provisions of the bill. However, this cost could increase depending on the administrative support required for the THIN and advisory council and the level of funding provided for distribution by the THIN for projects and educational programs.

Based on the analysis of information provided by institutions of higher education, 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: 537 State Health Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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