

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 24, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2062** by Phillips (Relating to the creation and operations of health care provider participation programs in certain counties.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code by adding a chapter to establish a health care provider participation program for certain counties that have a population more than 100,000 and contains two municipalities, each with a population of more than 15,000, that is not served by a hospital district or public hospital, and borders the Red River.

The health care provider participation program would authorize a county to collect mandatory payments from nonpublic hospitals that provides inpatient hospital services. These payments would be deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers would be used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments including payments to the Medicaid managed care program that are dedicated for payment to hospitals. 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 non-federal 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. According to the Department of Health and Human Services, there would be no significant fiscal impact to the agency resulting from implementation of the bill.

According to the Health and Human Services Commission, there is no significant fiscal impact to the state anticipated from the bill.

The bill would take effect immediately if it receives a vote of two-thirds of each house. If the bill does not receive the vote necessary for immediate effect it would take effect September 1, 2017.

Local Government Impact

The Health and Human Services Commission assumes there is no fiscal impact to local government entities from the bill.

According to Grayson County, the bill would have no significant fiscal impact on the budget of the county; however, it would provide additional funding to supplement uncompensated care for indigent individuals.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, SD, KCA, JGA, GG, GP