

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 7, 2017**

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

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

**IN RE:** **HB2995** by Ashby ( Relating to the creation and operations of health care provider participation programs in certain counties.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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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 75,000, are not served by a hospital district or a public hospital, and borders or includes a portion of the Sam Rayburn Reservoir. The health care provider participation program would authorize a county to collect mandatory payments from nonpublic hospitals that provide 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 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. 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.

The bill would take effect immediately if it receives a vote of two-thirds of all members 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**

According to Angelina County, the bill would have a minimal fiscal impact on the county. While certain administrative costs in the billing, collecting, accounting and disbursement of the funds would be incurred these are specifically allowed for reimbursement in the text of the bill.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** UP, JGA, GG, GP