

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

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

**April 11, 2017**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

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

**IN RE:** SB1462 by Hinojosa (Relating to local health care provider participation programs in certain counties and municipalities.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill amends Chapters 288, and 291 through 297 of the Health and Safety Code, which authorizes health care provider participation program in certain counties. The bill would authorize county-created healthcare districts, instead of county tax assessors, to contract for the assessment and the collection of mandatory payments from nonprofit hospitals. These payments are deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers are used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments. The bill would expand the allowable use of these mandatory payments for payments to Medicaid managed care organizations that are dedicated for payment to hospitals. The bill would also authorize mandatory payments to be used to refund paying hospitals funds that are not used for Texas Medicaid supplemental payments.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to the Health and Human Services Commission by intergovernmental transfer. The bill's provisions do not contain any implications for state General Revenue funds. HHSC reports that there would be no significant fiscal impact to the agency resulting from implementation of the bill. The Comptroller of Public Accounts does not anticipate any fiscal impact to the state.

The bill would take effect on September 1, 2017, or immediately with a vote of two-thirds of all members in both houses.

**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, 304 Comptroller of Public Accounts

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