

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 10, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB1142** by Lambert (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 amends the Health and Safety Code to add Chapters 293C and 298E, which authorize health care provider participation programs in certain counties. The provisions of Chapter 293C apply to counties that 1) are not served by a hospital district or public hospital, 2) have a population of more than 125,000 and less than 140,000, and 3) are not adjacent to a county with a population of one million or more. The provisions of Chapter 298E apply to a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003. Health care provider participation programs would allow a county or hospital district to collect a mandatory payment from nonpublic hospitals to fund intergovernmental transfers, subsidize indigent care programs (authorized by Chapter 293C), for payments to Medicaid managed care organizations that are dedicated for payment to hospitals (authorized by Chapter 298E), and for uniform rate enhancements for hospitals (authorized by Chapter 298E). Intergovernmental transfers are used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to HHSC 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. It is assumed that HHSC would absorb any administrative costs using existing resources.

The bill would take effect on September 1, 2019, 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 as to its probable fiscal implication on units of local government.

**Source Agencies:**

**LBB Staff:** WP, AF, SD, MH, LCO, GP