

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 18, 2019

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

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

IN RE: HB3679 by Frank (Relating to the creation and operations of health care provider participation programs in certain counties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill amends the Health and Safety Code to add Chapter 292C, which authorizes health care provider participation programs in certain counties. The provisions of this bill apply to counties that 1) contain a hospital district that is not countywide, 2) have a population of more than 125,000 and 3) border Oklahoma. A health care provider participation program would allow a county to collect a mandatory payment from nonpublic hospitals. These payments are deposited into a local provider participation fund to fund intergovernmental transfers and for payments to Medicaid managed care organizations that are dedicated for payment to hospitals. 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: 529 Health and Human Services Commission

LBB Staff: WP, AF, SD, MH