

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 22, 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: HB4289 by Coleman (Relating to the authority of certain local governments to create and operate health care provider participation programs.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill amends the Health and Safety Code to add Chapters 300 and 300A, which authorize local jurisdictions, such as hospital districts, county or municipalities, to establish health care provider participation programs. The provisions of Chapter 300 apply to 1) a hospital district that is not participating in a health care provider participation program and 2) a local jurisdiction that is not participating in a health care provider participation program and is not served by a hospital district or a public hospital. The provisions of Chapter 300A apply to 1) hospital district that is not participating in a health care provider participation program and has only one nonpublic hospital located in the district and 2) a local jurisdiction that is not participating in a health care provider participation program and has only one nonpublic hospital located in the county or municipality. A health care provider participation program would allow local jurisdictions to collect a mandatory payment from nonpublic hospitals to fund intergovernmental transfers and for uniform rate enhancements for nonpublic hospitals in Medicaid managed care in which the local government is located. 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

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, AF, SD, MH