

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

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

**April 3, 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 creation and operations of health care provider participation programs in local jurisdictions in this state.), **As Introduced**

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

The bill amends the Health and Safety Code to add Chapter 300, which authorizes local jurisdictions to establish health care provider participation programs. Local jurisdictions include hospital districts, counties, and municipalities. A health care provider participation program would allow local jurisdictions to collect a mandatory payment from non-public hospitals to fund intergovernmental transfers, subsidize indigent care programs, and for uniform rate enhancements for nonpublic hospitals in Medicaid managed care. 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