

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

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

**March 4, 2019**

**TO:** Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

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

**IN RE: SB748** by Kolkhorst (Relating to newborn screening and the newborn screening preservation account.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time because the amount of transfers to the Newborn Screening Preservation Account depend on appropriations decisions and the adoption of new rules.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend Chapter 33 of the Health and Safety Code to require the executive commissioner of the Health and Human Services Commission (HHSC) to adopt rules for newborn screening fees and ensure that amounts charged are sufficient to cover the cost of performing the screening.

The bill would establish the Newborn Screening Preservation Account as a dedicated account in general revenue to be administered by the Department of State Health Services (DSHS). The bill would require the Comptroller to transfer unexpended and unencumbered funds from Medicaid reimbursements collected by DSHS for newborn screening services to the new account on November 1 of each year.

Money in the account could only be appropriated to DSHS and only for the purposes of operating the newborn screening program, performing additional newborn screening tests, or for certain capital expenditures. The bill would require DSHS to submit a written report detailing its actions to fund and implement any new tests during the preceding two years to the Governor and certain members of the Legislature by December 31 of the first even numbered year following the introduction of new tests.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2019.

Currently DSHS collects Medicaid reimbursements for newborn screenings performed for Medicaid clients, which are deposited to Public Health Medicaid Reimbursements (Account No.

709). Funds from Account No. 709 are appropriated to HHSC for Mental Health State Hospitals, Mental Health Community Hospitals, and Non-Full Benefits Payments and to DSHS for Laboratory Services, Texas Primary Care Office, and other IT and administrative services. Under the provisions of the bill, by November 1 of each year, the Comptroller would be required to transfer to the Newborn Screening Preservation Account any unexpended and unencumbered Medicaid reimbursements DSHS collects for newborn screenings during the preceding state fiscal year.

Appropriations typically expend the full amount from Account No. 709, so no excess funds are expected to be available to transfer to the Newborn Screening Preservation Account for fiscal year 2020. The amounts of any transfers after fiscal year 2020 cannot be determined because they would depend on the adoption of new rules for newborn screening fees by the executive commissioner of HHSC and future appropriations decisions regarding Account No. 709.

According to HHSC and DSHS, the provisions of the bill related to adopting rules and reporting could be implemented using existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 537 State Health Services, Department of

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