

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 2, 2019

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

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

IN RE: **SB1751** by Rodríguez (Relating to the creation and operations of a health care provider participation program by the El Paso County Hospital District.), **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 Chapter 298G, which authorizes the El Paso County Hospital District to create a health care provider participation program. A health care provider participation program would allow the collection of mandatory payments from nonpublic hospitals in the district. These payments are deposited into a local provider participation fund to fund intergovernmental transfers to provide the nonfederal share of Medicaid supplemental payments to nonpublic hospitals, Medicaid payments to nonpublic hospitals or physicians contracted to provide services in the nonpublic hospitals, and uniform rate enhancements for nonpublic hospitals in Medicaid managed care services areas. In addition, local provider participation funds are authorized to be used to subsidize indigent healthcare programs in the district.

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 Senate 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