

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

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

**April 14, 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:** **SB2286** by Fallon (Relating to the creation and operations of health care provider participation programs in certain counties.), **As Introduced**

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

The bill amends the Health and Safety Code to add Chapter 292C, which authorizes a health care provider participation program in a certain county. The provisions of this bill apply to a county that 1) has a population of 125,000, 2) borders state of Oklahoma, and 3) if there is a hospital district, applies only to the portion of the county that is not within the boundaries of the hospital district. A health care provider participation program would allow a county to collect a mandatory payment from non-public hospitals 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 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