

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 8, 2021

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3085 by Coleman (Relating to health care provider participation programs in this State.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time due to the basis used to calculate mandatory payments assessed on institutional health care providers that generate Medicaid-related intergovernmental transfers to the state that in turn are used to draw down federal funds being unknown.

The bill would amend the Health and Safety Code to repeal provisions related to certain health care funding districts, extend the authority of certain health care funding districts, and add general provisions applicable to health care provider participation programs.

The bill would repeal Chapter 289 and Chapter 290, which authorize health care funding districts in certain counties to assess taxes on nonpublic hospitals to draw Medicaid supplemental payments, subsidize indigent programs, and pay administrative expenses. These health care funding districts were abolished on September 1, 2007.

The bill would allow local governments administering local health care provider participation programs to utilize certain additional methods to calculate mandatory payments assessed on institutional health care providers.

The bill would amend Chapter 299 to extend the Harris County hospital district's authority to operate a health care provider participation program until December 31, 2023, and to increase the limit on the aggregate amount of mandatory payments required of institutional health care providers in Harris County. The bill would amend Chapter 298C to extend Nueces County hospital district's authority to operate a health care provider participation program until December 31, 2023.

According to the Comptroller of Public Accounts, mandatory payments calculated by hospital districts and assessed on institutional health care providers generate Medicaid-related intergovernmental transfers to the state that are used to draw down federal funds. However, because the basis that would be used to calculate those payments under the bill is unknown, the impact to state revenue and matching federal funds cannot be determined.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 529 Hlth & Human Svcs Comm

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