

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 5, 2021**

**TO:** Honorable James B. Frank, Chair, House Committee on Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3240** by Klick (Relating to the composition of the Long-Term Care Facilities Council and rules related to and the imposition of administrative penalties against certain long-term care facilities.), **As Introduced**

**The fiscal implications of the bill cannot be determined at this time because it is unknown how limiting the amount of an administrative penalty assessed on a facility would impact the level of revenue received by the state.**

The bill would require the executive commissioner of the Health and Human Services Commission (HHSC) to appoint an additional member to the Long-Term Care Facilities Council that meets certain criteria. The bill would also amend Health and Safety Code Chapter 252 to limit the total amount of administrative penalties that a facility can be assessed. The bill would also require the executive commissioner of HHSC to develop and adopt rules regarding the application of certain administrative penalties.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill would take effect September 1, 2021.

This analysis assumes any cost to implement provisions of the bill related to adding a member to the Long-Term Care Facilities Council and rulemaking would be minimal and could be absorbed within available resources.

However, according to information provided by HHSC, limiting the amount of administrative penalties that can be assessed on a facility could reduce revenue to the state. An estimate of the reduction in revenue cannot be determined at this time because it is unknown how the provisions of the bill will impact the behavior of facilities in how they address noncompliance without aggregate penalties.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JMc, AKI, JLI