

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 4, 2023

TO: Honorable Victoria Neave Criado, Chair, House Committee on County Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3456 by Ashby (Relating to the operation of certain health care provider participation programs in this state.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB3456, As Introduced : a negative impact of (\$3,671,020) through the biennium ending August 31, 2025.

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

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$1,862,149)
2025	(\$1,808,871)
2026	(\$1,810,631)
2027	(\$1,812,410)
2028	(\$1,814,210)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable (Cost) from GR Match For Medicaid 758</i>	<i>Probable (Cost) from Federal Funds 555</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,283,750)	(\$578,399)	(\$590,128)	16.0
2025	(\$1,240,640)	(\$568,231)	(\$600,296)	16.0
2026	(\$1,242,064)	(\$568,567)	(\$599,960)	16.0
2027	(\$1,243,504)	(\$568,906)	(\$599,621)	16.0
2028	(\$1,244,960)	(\$569,250)	(\$599,277)	16.0

Fiscal Analysis

The bill would allow qualifying local governments to assess mandatory payments on the assessment basis required in the provider payment programs enabling legislation or on any basis consistent with 42. U.S.C Section 1396b(w).

The bill would permit a qualifying local government to require an institutional health care provider to submit additional information to ensure mandatory payments are assessed consistent with federal requirements.

The bill would allow a qualifying local government to request that the Health and Human Services Commission submit a request for relief, or waiver of certain federal requirements, to ensure the provider participation program is administered efficiently.

Methodology

The analysis assumes the Health and Human Services Commission (HHSC) would require 16.0 Full-time Equivalents (FTE) to evaluate the collection of mandatory payments from institutional healthcare providers to ensure compliance with federal regulations. The analysis assumes 1.0 Financial Analyst III, 1.0 Financial Analyst IV, 1.0 Financial Examiner V, 1.0 Financial Examiner VI, and 1.0 Financial Examiner VII would be required to conduct financial examinations to ensure the local governmental entity's basis of the mandatory payments uses credible data sources.

Additionally, 1.0 Project Manager IV, 6.0 Program Specialists VII, 1.0 Manager VII, 2.0 Attorneys IV, and 1.0 Attorney V would be required for coordination with the local entity to establish rules and apply for and negotiate a waiver of uniformity from the U.S. Department of Health and Human Services and to ensure that the assessment of mandatory payments complies with federal requirements that the funds are permissible for the non-federal share used in the Texas Medicaid program.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public provider funds provided to HHSC by intergovernmental transfer. HHSC reports that there would be a significant impact to funds received through the intergovernmental transfer and federal funds for Medicaid and CHIP client services while a waiver application is pending. HHSC estimates the All Funds decrease to be \$9,537,002,770 in fiscal year 2024 and \$9,537,002,770 in fiscal year 2025 and on. This does not affect the state's General Revenue funds.

Technology

FTE-related technology costs are estimated to be \$51,421 in fiscal year 2024 and \$8,381 in each subsequent year.

Local Government Impact

According to the Health and Human Services Commission, local units of government operating public hospitals and clinics as Medicaid provider could experience decreased revenue from provider payments.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, AF, ER, CST, NV