

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 28, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4700 by Clardy (Relating to the creation and operations of a health care provider participation program by the Nacogdoches County Hospital District.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB4700, As Introduced : a negative impact of (\$2,416,310) 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	(\$1,216,582)
2025	(\$1,199,728)
2026	(\$1,200,395)
2027	(\$1,201,070)
2028	(\$1,201,753)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid 758</i>	<i>Probable Savings/(Cost) from Federal Funds 555</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,216,582)	(\$1,216,582)	16.0
2025	(\$1,199,728)	(\$1,199,728)	16.0
2026	(\$1,200,395)	(\$1,200,395)	16.0
2027	(\$1,201,070)	(\$1,201,070)	16.0
2028	(\$1,201,753)	(\$1,201,753)	16.0

Fiscal Analysis

The bill would define qualifying assessment basis as any basis consistent with 42. U.S.C Section 1396b(w) on which the board of hospital managers requires mandatory payments to be assessed.

The bill would establish that a board of managers of the hospital district may require a health care provider to submit certain financial data and amends the type of data that may be collected.

The bill would allow the board to assess the mandatory payment on a qualifying assessment basis.

Methodology

This analysis estimates that the Health and Human Services Commission (HHSC) would require 16.0 Full-time Equivalents (FTE) to evaluate the collection of mandatory payments from nonpublic hospitals in a district to ensure compliance with federal regulations. The analysis assumes 1.0 Financial Examiner V, 1.0 Financial Examiner VI, 1.0 Financial Examiner VII, 1.0 Financial Analyst III, and 1.0 Financial Analyst IV 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 largely made up of local public funds provided to HHSC through intergovernmental transfer. According to HHSC the bill would result in a significant loss of funds received through intergovernmental transfer and federal funds for Medicaid and CHIP client services, although a specific estimate cannot be determined at this time.

Technology

FTE-related technology costs are estimated to be \$48,207 in fiscal year 2024 and \$7,857 in each subsequent year.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission

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