

SENATE AMENDMENTS

2nd Printing

By: Ashby

H.B. No. 3456

A BILL TO BE ENTITLED

AN ACT

relating to the continuation and operation of certain health care
provider participation programs in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 292C.004, Health and Safety Code, is
amended to read as follows:

Sec. 292C.004. EXPIRATION. The authority of a county to
administer and operate a program under this chapter expires
December 31, 2027 [~~2023~~].

SECTION 2. Section 298A.004, Health and Safety Code, is
amended to read as follows:

Sec. 298A.004. EXPIRATION. (a) Subject to Section
298A.153(d), the authority of the district to administer and
operate a program under this chapter expires December 31, 2027
[~~2025~~].

(b) This chapter expires December 31, 2027 [~~2025~~].

SECTION 3. Section 298B.004, Health and Safety Code, is
amended to read as follows:

Sec. 298B.004. EXPIRATION OF AUTHORITY. (a) Subject to
Sections 298B.153(d) and 298B.154, the authority of the district to
administer and operate a program under this chapter expires
December 31, 2027 [~~2025~~].

(b) Subsection (a) does not affect the authority of the
district to require and collect a mandatory payment under Section

1 298B.154 after December 31, 2027 [~~2025~~], if necessary.

2 SECTION 4. Section 298E.004, Health and Safety Code, is
3 amended to read as follows:

4 Sec. 298E.004. EXPIRATION. (a) Subject to Section
5 298E.153(d), the authority of a district to administer and operate
6 a program under this chapter expires December 31, 2027 [~~2023~~].

7 (b) This chapter expires December 31, 2027 [~~2023~~].

8 SECTION 5. Section 298F.004, Health and Safety Code, is
9 amended to read as follows:

10 Sec. 298F.004. EXPIRATION. (a) Subject to Section
11 298F.153(d), the authority of the district to administer and
12 operate a program under this chapter expires December 31, 2027
13 [~~2023~~].

14 (b) This chapter expires December 31, 2027 [~~2023~~].

15 SECTION 6. Section 298G.004, Health and Safety Code, is
16 amended to read as follows:

17 Sec. 298G.004. EXPIRATION. (a) Subject to Section
18 298G.153(d), the authority of the district to administer and
19 operate a program under this chapter expires December 31, 2027
20 [~~2023~~].

21 (b) This chapter expires December 31, 2027 [~~2023~~].

22 SECTION 7. Section 299.004, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 299.004. EXPIRATION. (a) Subject to Section
25 299.153(d), the authority of the district to administer and operate
26 a program under this chapter expires December 31, 2025 [~~2023~~].

27 (b) This chapter expires December 31, 2025 [~~2023~~].

SECTION 8. Section 300.0003, Health and Safety Code, is amended to read as follows:

Sec. 300.0003. APPLICABILITY. This chapter applies only to:

(1) a hospital district that is not authorized to create ~~[participating in]~~ a health care provider participation program under ~~[authorized by]~~ another chapter of this subtitle; and

(2) a county or municipality that~~+~~
~~[(A)]~~ is not authorized to create ~~[participating in]~~ a health care provider participation program under ~~[authorized by]~~ another chapter of this subtitle~~+, and~~

~~[(B) is not served by a hospital district or a public hospital].~~

SECTION 9. Section 300.0155, Health and Safety Code, is repealed.

SECTION 10. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

By: Hinojosa

Substitute the following for __.B. No. _____:

By: J-J. Hinojosa
Myra Suber

ADOPTED

MAY 23 2023

Laticia C. S. L.
Secretary of the Senate

3456

C.S. L.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the continuation of certain health care provider participation programs in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 292C.004, Health and Safety Code, is amended to read as follows:

Sec. 292C.004. EXPIRATION. The authority of a county to administer and operate a program under this chapter expires December 31, 2027 [~~2023~~].

SECTION 2. Section 298A.004, Health and Safety Code, is amended to read as follows:

Sec. 298A.004. EXPIRATION. (a) Subject to Section 298A.153(d), the authority of the district to administer and operate a program under this chapter expires December 31, 2027 [~~2025~~].

(b) This chapter expires December 31, 2027 [~~2025~~].

SECTION 3. Section 298B.004, Health and Safety Code, is amended to read as follows:

Sec. 298B.004. EXPIRATION OF AUTHORITY. (a) Subject to Sections 298B.153(d) and 298B.154, the authority of the district to administer and operate a program under this chapter expires December 31, 2027 [~~2025~~].

(b) Subsection (a) does not affect the authority of the district to require and collect a mandatory payment under Section

1 298B.154 after December 31, 2027 [~~2025~~], if necessary.

2 SECTION 4. Section 298E.004, Health and Safety Code, is
3 amended to read as follows:

4 Sec. 298E.004. EXPIRATION. (a) Subject to Section
5 298E.153(d), the authority of a district to administer and operate
6 a program under this chapter expires December 31, 2027 [~~2023~~].

7 (b) This chapter expires December 31, 2027 [~~2023~~].

8 SECTION 5. Section 298F.004, Health and Safety Code, is
9 amended to read as follows:

10 Sec. 298F.004. EXPIRATION. (a) Subject to Section
11 298F.153(d), the authority of the district to administer and
12 operate a program under this chapter expires December 31, 2027
13 [~~2023~~].

14 (b) This chapter expires December 31, 2027 [~~2023~~].

15 SECTION 6. Section 298G.004, Health and Safety Code, is
16 amended to read as follows:

17 Sec. 298G.004. EXPIRATION. (a) Subject to Section
18 298G.153(d), the authority of the district to administer and
19 operate a program under this chapter expires December 31, 2027
20 [~~2023~~].

21 (b) This chapter expires December 31, 2027 [~~2023~~].

22 SECTION 7. Section 299.004, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 299.004. EXPIRATION. (a) Subject to Section
25 299.153(d), the authority of the district to administer and operate
26 a program under this chapter expires December 31, 2025 [~~2023~~].

27 (b) This chapter expires December 31, 2025 [~~2023~~].

1 SECTION 8. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2023.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 24, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3456 by Ashby (Relating to the continuation of certain health care provider participation programs in this state.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

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, SD, NPe, ER, CST, AF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 21, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3456 by Ashby (Relating to the continuation of certain health care provider participation programs in this state.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

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, NPe, ER, CST, AF

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

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

The fiscal implications of the bill cannot be determined due to the jurisdictions that would be affected being unknown.

The bill would allow for the administration of a health care provider participation program by a hospital district, county, or municipality that is currently not authorized to do so.

According to the Health and Human Services Commission, the bill would limit the ability of jurisdictions to generate revenue utilizing authority currently provided in Health and Safety Code, Chapter 300. While the implementation could result in a significant fiscal impact, the jurisdictions that would be limited are unknown and the fiscal implications cannot be determined at this time.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 17, 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 continuation and operation of certain health care provider participation programs in this state.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined due to the jurisdictions that would be affected being unknown.

The bill would allow for the administration of a health care provider participation program by a hospital district, county, or municipality that is currently not authorized to do so.

According to the Health and Human Services Commission, the bill would limit the ability of jurisdictions to generate revenue utilizing authority currently provided in Health and Safety Code, Chapter 300. While the implementation could result in a significant fiscal impact, the jurisdictions that would be limited are unknown and the fiscal implications cannot be determined at this time.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, AF, ER, CST

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>	Probable Net Positive/(Negative) Impact to <i>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>	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>GR Match For Medicaid</i> 758	Probable (Cost) from <i>Federal Funds</i> 555	<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