

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 8, 2025**

**TO:** Honorable Gary VanDeaver, Chair, House Committee on Public Health

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

**IN RE: HB3708** by Oliverson (relating to charity care provided by certain nonprofit hospitals and hospital systems and the calculation of net patient revenue for purposes of determining the charity care provided by those entities; authorizing an administrative penalty.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would require certain nonprofit hospitals to inform each patient of the existence of and screen each patient for eligibility for the hospital's charity program and prohibit the hospital from attempting to pursue patient debt collections unless the hospital verifies and documents the patient is not eligible for the charity program.

The bill would require the Health and Human Services Commission (HHSC) to adopt by rule the process for screening a patient for eligibility for a charity program. The bill would also establish requirements and procedures relating to incorrect determinations and non-compliance by hospitals, including refunds and reimbursements to patients, corrective action plans, and administrative penalties and referral to the attorney general for revocation of state tax exemptions.

According to HHSC, the Office of the Attorney General, and public institutions of higher education with associated hospitals, any costs associated with the bill could be absorbed using existing resources. According to the Comptroller of Public Accounts, the number of violations that would result in administrative penalty revenue is unknown; therefore, the related revenue impact cannot be determined.

**Local Government Impact**

While no significant fiscal implication to units of local government is anticipated, the fiscal impact cannot be determined due to the lack of data necessary to estimate additional screenings, charity care, or administrative costs to non-disproportionate share public hospitals.

**Source Agencies:** 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 783 University of Houston System Administration

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