

**SENATE AMENDMENTS**  
**2<sup>nd</sup> Printing**

By: Patterson, Plesa, Richardson, Troxclair H.B. No. 3348

A BILL TO BE ENTITLED

AN ACT

relating to the creation and operations of a health care provider participation program in certain counties.

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

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 292E to read as follows:

CHAPTER 292E. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM IN CERTAIN COUNTIES BORDERING TWO POPULOUS COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 292E.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services.

(2) "Paying provider" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means a county health care provider participation program authorized by this chapter.

Sec. 292E.002. APPLICABILITY. This chapter applies only to a county that:

(1) is not served by a hospital district; and

(2) is either:

(A) a county that:

(i) has a population of more than 46,000 and less than 50,000; and

1                   (ii) is adjacent to the county containing  
2 the state capital;

3                   (B) a county that:

4                   (i) has a population of one million or more;  
5                   (ii) contains all or part of a municipality  
6 with a population of one million or more; and

7                   (iii) is adjacent to a county with a  
8 population of 2.5 million or more; or

9                   (C) a county that:

10                  (i) has a population of 900,000 or more; and  
11                  (ii) borders two counties, each of which  
12 has a population of two million or more.

13                  Sec. 292E.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION  
14 PROGRAM; PARTICIPATION IN PROGRAM. (a) A county health care  
15 provider participation program authorizes a county to collect a  
16 mandatory payment from each institutional health care provider  
17 located in the county to be deposited in a local provider  
18 participation fund established by the county. Money in the fund may  
19 be used by the county as provided by Section 292E.103(c).

20                  (b) The commissioners court of a county may adopt an order  
21 authorizing the county to participate in the program, subject to  
22 the limitations provided by this chapter.

23                  SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

24                  Sec. 292E.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY  
25 PAYMENTS. The commissioners court of a county may require a  
26 mandatory payment under this chapter by an institutional health  
27 care provider in the county only in the manner provided by this

1 chapter.

2 Sec. 292E.052. MAJORITY VOTE REQUIRED. The commissioners  
3 court of a county may not authorize the county to collect a  
4 mandatory payment under this chapter without an affirmative vote of  
5 a majority of the members of the commissioners court.

6 Sec. 292E.053. RULES AND PROCEDURES. After the  
7 commissioners court of a county has voted to require a mandatory  
8 payment authorized under this chapter, the commissioners court may  
9 adopt rules relating to the administration of the program,  
10 including the collection of a mandatory payment, expenditures, an  
11 audit, and any other administrative aspect of the program.

12 Sec. 292E.054. INSTITUTIONAL HEALTH CARE PROVIDER  
13 REPORTING. If the commissioners court of a county authorizes the  
14 county to participate in a program under this chapter, the  
15 commissioners court shall require each institutional health care  
16 provider to submit to the county a copy of any financial and  
17 utilization data required by and reported to the Department of  
18 State Health Services under Sections 311.032 and 311.033 and any  
19 rules adopted by the executive commissioner of the Health and Human  
20 Services Commission to implement those sections.

21 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

22 Sec. 292E.101. HEARING. (a) In each year that the  
23 commissioners court of a county authorizes a mandatory payment  
24 under this chapter, the commissioners court shall hold a public  
25 hearing on the amounts of any mandatory payments that the county  
26 intends to require during the year and how the revenue derived from  
27 those payments is to be spent.

1       (b) Not later than the fifth day before the date of the  
2 hearing required under Subsection (a), the commissioners court  
3 shall publish notice of the hearing in a newspaper of general  
4 circulation in the county and provide written notice of the hearing  
5 to each institutional health care provider located in the county.

6       (c) A representative of a paying provider is entitled to  
7 appear at the public hearing and be heard regarding any matter  
8 related to the mandatory payments authorized under this chapter.

9       Sec. 292E.102. DEPOSITORY. (a) The commissioners court of  
10 a county that requires a mandatory payment under this chapter shall  
11 designate one or more banks as the depository for the county's local  
12 provider participation fund.

13       (b) All income received by a county under this chapter shall  
14 be deposited with the depository designated under Subsection (a) in  
15 the county's local provider participation fund and may be withdrawn  
16 only as provided by this chapter.

17       (c) All money collected under this chapter shall be secured  
18 in the manner provided for securing other county money.

19       Sec. 292E.103. LOCAL PROVIDER PARTICIPATION FUND;  
20 AUTHORIZED USES OF MONEY. (a) A county that requires a mandatory  
21 payment under this chapter shall create a local provider  
22 participation fund.

23       (b) The local provider participation fund of a county  
24 consists of:

25               (1) all revenue received by the county attributable to  
26 mandatory payments authorized under this chapter;

27               (2) money received from the Health and Human Services



Commission as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to a county's local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the county to the state to provide the nonfederal share of Medicaid payments for:

(A) uncompensated care payments to nonpublic hospitals authorized under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs;

(B) uniform rate enhancements or other directed payment programs for nonpublic hospitals;

(C) payments available under another waiver program authorizing payments that are substantially similar to Medicaid payments to nonpublic hospitals described by Paragraph (A) or (B); or

(D) any reimbursement to nonpublic hospitals for which federal matching funds are available;

(2) subject to Section 292E.151(e), pay the administrative expenses of the county in administering the program,

1 including collateralization of deposits;

2 (3) refund all or a portion of a mandatory payment  
3 collected in error from a paying provider;

4 (4) refund to paying providers a proportionate share  
5 of the money that the county:

6 (A) receives from the Health and Human Services  
7 Commission that is not used to fund the nonfederal share of Medicaid  
8 supplemental payment program payments; or

9 (B) determines cannot be used to fund the  
10 nonfederal share of Medicaid supplemental payment program  
11 payments; and

12 (5) transfer funds to the Health and Human Services  
13 Commission if the county is legally required to transfer the funds  
14 to address a disallowance of federal matching funds with respect to  
15 any intergovernmental transfers described by Subdivision (1).

16 (d) Money in the local provider participation fund may not  
17 be commingled with other county money.

18 (e) Notwithstanding any other provision of this chapter,  
19 with respect to an intergovernmental transfer of funds described by  
20 Subsection (c)(1) made by the county, any funds received by the  
21 state, county, or other entity as a result of the transfer may not  
22 be used by the state, county, or entity to:

23 (1) expand Medicaid eligibility under the Patient  
24 Protection and Affordable Care Act (Pub. L. No. 111-148) as amended  
25 by the Health Care and Education Reconciliation Act of 2010 (Pub. L.  
26 No. 111-152); or

27 (2) fund the nonfederal share of payments to nonpublic

1 hospitals available through the Medicaid disproportionate share  
2 hospital program.

3 SUBCHAPTER D. MANDATORY PAYMENTS

4 Sec. 292E.151. MANDATORY PAYMENTS BASED ON PAYING PROVIDER  
5 NET PATIENT REVENUE. (a) Except as provided by Subsection (f), if  
6 the commissioners court of a county authorizes a program under this  
7 chapter, the commissioners court may require an annual mandatory  
8 payment to be assessed on the net patient revenue of each  
9 institutional health care provider located in the county. The  
10 commissioners court may provide for the mandatory payment to be  
11 assessed quarterly. In the first year in which the mandatory  
12 payment is required, the mandatory payment is assessed on the net  
13 patient revenue of an institutional health care provider as  
14 determined by the data reported to the Department of State Health  
15 Services under Sections 311.032 and 311.033 in the most recent  
16 fiscal year for which that data was reported. If the institutional  
17 health care provider did not report any data under those sections,  
18 the provider's net patient revenue is the amount of that revenue as  
19 contained in the provider's Medicare cost report submitted for the  
20 most recent fiscal year for which the provider submitted the  
21 Medicare cost report. If the mandatory payment is required, the  
22 commissioners court shall update the amount of the mandatory  
23 payment on an annual basis.

24 (b) The commissioners court of a county that requires a  
25 mandatory payment under this chapter shall provide each  
26 institutional health care provider on which the payment will be  
27 assessed written notice of an assessment under this chapter. The

1 institutional health care provider must pay the assessment not  
2 later than the 30th day after the date the provider receives the  
3 written notice.

4 (c) The amount of a mandatory payment authorized under this  
5 chapter must be uniformly proportionate with the amount of net  
6 patient revenue generated by each paying provider in the county. A  
7 mandatory payment authorized under this chapter may not hold  
8 harmless any institutional health care provider, as required under  
9 42 U.S.C. Section 1396b(w) and 42 C.F.R. Section 433.68.

10 (d) The commissioners court of a county that requires a  
11 mandatory payment under this chapter shall set the amount of the  
12 mandatory payment. The aggregate amount of the mandatory payment  
13 required of all paying providers may not exceed six percent of the  
14 aggregate net patient revenue from hospital services provided by  
15 all paying providers in the county.

16 (e) Subject to Subsection (d), the commissioners court of a  
17 county that requires a mandatory payment under this chapter shall  
18 set the mandatory payments in amounts that in the aggregate will  
19 generate sufficient revenue to cover the administrative expenses of  
20 the county for activities under this chapter and to fund an  
21 intergovernmental transfer described by Section 292E.103(c)(1).  
22 The annual amount of revenue from mandatory payments that may be  
23 used to pay the administrative expenses of the county for  
24 activities under this chapter may not exceed \$150,000, plus the  
25 cost of collateralization of deposits, regardless of actual  
26 expenses.

27 (f) A paying provider may not add a mandatory payment

1 required under this section as a surcharge to a patient.

2 Sec. 292E.152. ASSESSMENT AND COLLECTION OF MANDATORY  
3 PAYMENTS. (a) The county may collect or contract for the assessment  
4 and collection of mandatory payments authorized under this chapter.

5 (b) The person charged by the county with the assessment and  
6 collection of mandatory payments shall charge and deduct from the  
7 mandatory payments collected for the county a collection fee in an  
8 amount not to exceed the person's usual and customary charges for  
9 like services.

10 (c) If the person charged with the assessment and collection  
11 of mandatory payments is an official of the county, any revenue from  
12 a collection fee charged under Subsection (b) shall be deposited in  
13 the county general fund and, if appropriate, shall be reported as  
14 fees of the county.

15 Sec. 292E.153. PURPOSE; CORRECTION OF INVALID PROVISION OR  
16 PROCEDURE; LIMITATION OF AUTHORITY. (a) The purpose of this  
17 chapter is to authorize a county to establish a program to enable  
18 the county to collect mandatory payments from institutional health  
19 care providers to fund the nonfederal share of certain Medicaid  
20 programs as described by Section 292E.103(c)(1).

21 (b) To the extent any provision or procedure under this  
22 chapter causes a mandatory payment authorized under this chapter to  
23 be ineligible for federal matching funds, the commissioners court  
24 of the county administering the program may provide by rule for an  
25 alternative provision or procedure that conforms to the  
26 requirements of the federal Centers for Medicare and Medicaid  
27 Services. A rule adopted under this section may not create, impose,

1 or materially expand the legal or financial liability or  
2 responsibility of the county or an institutional health care  
3 provider located in the county beyond the provisions of this  
4 chapter. This section does not require the commissioners court of a  
5 county to adopt a rule.

6 (c) A county administering a program may only assess and  
7 collect a mandatory payment authorized under this chapter if a  
8 waiver program, uniform rate enhancement, or reimbursement  
9 described by Section 292E.103(c)(1) is available to the county.

10 (d) This chapter does not authorize a county administering a  
11 program to collect mandatory payments for the purpose of raising  
12 general revenue or any amount in excess of the amount reasonably  
13 necessary to fund the nonfederal share of a Medicaid supplemental  
14 payment program or Medicaid managed care rate enhancements for  
15 nonpublic hospitals and to cover the administrative expenses of the  
16 county associated with activities under this chapter.

17 SECTION 2. If before implementing any provision of this Act  
18 a state agency determines that a waiver or authorization from a  
19 federal agency is necessary for implementation of that provision,  
20 the agency affected by the provision shall request the waiver or  
21 authorization and may delay implementing that provision until the  
22 waiver or authorization is granted.

23 SECTION 3. This Act takes effect September 1, 2025.

ADOPTED

MAY 22 2025

*Latey Law*  
Secretary of the Senate

By: *Tan Parker*

H.B. No. 3348

Substitute the following for H.B. No. 3348:

By: *Robert Lee Nichols*

C.S.H.B. No. 3348

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation and operations of a health care provider  
3 participation program in certain counties.

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

5 SECTION 1. Subtitle D, Title 4, Health and Safety Code, is  
6 amended by adding Chapter 292E to read as follows:

7 CHAPTER 292E. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM IN  
8 CERTAIN COUNTIES

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 292E.001. DEFINITIONS. In this chapter:

11 (1) "Institutional health care provider" means a  
12 nonpublic hospital that provides inpatient hospital services.

13 (2) "Paying hospital" means an institutional health  
14 care provider required to make a mandatory payment under this  
15 chapter.

16 (3) "Program" means a county health care provider  
17 participation program authorized by this chapter.

18 Sec. 292E.002. APPLICABILITY. This chapter applies only to  
19 a county that:

20 (1) is not served by a hospital district; and

21 (2) is:

22 (A) a county that:

23 (i) has a population of more than 46,000 and  
24 less than 50,000; and

1                               (ii) is adjacent to the county containing  
2 the state capital;

3                               (B) a county that:

4                               (i) has a population of 900,000 or more; and

5                               (ii) borders two counties, each of which  
6 has a population of two million or more; or

7                               (C) a county that:

8                               (i) has a population of one million or more;

9                               (ii) contains all or part of a municipality  
10 with a population of one million or more; and

11                              (iii) is adjacent to a county with a  
12 population of 2.5 million or more.

13       Sec. 292E.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION  
14 PROGRAM; PARTICIPATION IN PROGRAM. (a) A county health care  
15 provider participation program authorizes a county to collect a  
16 mandatory payment from each institutional health care provider  
17 located in the county to be deposited in a local provider  
18 participation fund established by the county. Money in the fund may  
19 be used by the county as provided by Section 292E.103(b).

20       (b) The commissioners court of a county may adopt an order  
21 authorizing the county to participate in the program, subject to  
22 the limitations provided by this chapter.

23       SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

24       Sec. 292E.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY  
25 PAYMENTS. The commissioners court of a county may require a  
26 mandatory payment under this chapter by an institutional health  
27 care provider in the county only in the manner provided by this



1 chapter.

2 Sec. 292E.052. MAJORITY VOTE REQUIRED. The commissioners  
3 court of a county may not authorize the county to collect a  
4 mandatory payment under this chapter without an affirmative vote of  
5 a majority of the members of the commissioners court.

6 Sec. 292E.053. RULES AND PROCEDURES. After the  
7 commissioners court of a county has voted to require a mandatory  
8 payment authorized under this chapter, the commissioners court may  
9 adopt rules relating to the administration of the program,  
10 including the collection of a mandatory payment, expenditures, an  
11 audit, and any other administrative aspect of the program.

12 Sec. 292E.054. INSTITUTIONAL HEALTH CARE PROVIDER  
13 REPORTING. (a) The commissioners court of a county that authorizes  
14 the county to participate in a program under this chapter shall  
15 require each institutional health care provider located in the  
16 county to submit to the county a copy of any financial and  
17 utilization data required by and reported to the Department of  
18 State Health Services under Sections 311.032 and 311.033 and any  
19 rules adopted by the executive commissioner of the Health and Human  
20 Services Commission to implement those sections.

21 (b) The commissioners court may inspect the records of an  
22 institutional health care provider in the county to the extent  
23 necessary to ensure compliance with the requirements of Subsection  
24 (a).

25 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

26 Sec. 292E.101. HEARING. (a) In each year that the  
27 commissioners court of a county authorizes a mandatory payment

1 under this chapter, the commissioners court shall hold a public  
2 hearing on the amounts of any mandatory payments that the county  
3 intends to require during the year and how the revenue derived from  
4 those payments is to be spent.

5 (b) Not later than the fifth day before the date of the  
6 hearing required under Subsection (a), the commissioners court  
7 shall publish notice of the hearing in a newspaper of general  
8 circulation in the county and provide written notice of the hearing  
9 to each institutional health care provider located in the county.

10 (c) A representative of a paying hospital is entitled to  
11 appear at the public hearing and be heard regarding any matter  
12 related to the mandatory payments authorized under this chapter.

13 Sec. 292E.102. LOCAL PROVIDER PARTICIPATION FUND;  
14 DEPOSITORY. (a) The commissioners court of a county that requires  
15 a mandatory payment under this chapter shall create a local  
16 provider participation fund.

17 (b) If the commissioners court of a county creates a local  
18 provider participation fund, the commissioners court shall  
19 designate one or more banks as the depository for the county's local  
20 provider participation fund.

21 (c) The commissioners court may withdraw or use money in the  
22 county's local provider participation fund only for a purpose  
23 authorized under this chapter.

24 (d) All funds collected under this chapter shall be secured  
25 in the manner provided for securing other funds of the county.

26 Sec. 292E.103. LOCAL PROVIDER PARTICIPATION FUND;  
27 AUTHORIZED USES OF MONEY. (a) The local provider participation

1 fund established by a county under Section 292E.102 consists of:

2 (1) all revenue received by the county attributable to  
3 mandatory payments authorized under this chapter, including any  
4 penalties and interest attributable to delinquent payments;

5 (2) money received from the Health and Human Services  
6 Commission as a refund of an intergovernmental transfer described  
7 by Subsection (b)(1), provided that the intergovernmental transfer  
8 does not receive a federal matching payment; and

9 (3) the earnings of the fund.

10 (b) Money deposited to a county's local provider  
11 participation fund may be used only to:

12 (1) fund intergovernmental transfers from the county  
13 to the state to provide the nonfederal share of Medicaid payments  
14 for:

15 (A) uncompensated care payments to nonpublic  
16 hospitals authorized under the Texas Healthcare Transformation and  
17 Quality Improvement Program waiver issued under Section 1115 of the  
18 federal Social Security Act (42 U.S.C. Section 1315), or a  
19 successor waiver program authorizing similar Medicaid supplemental  
20 payment programs;

21 (B) uniform rate enhancements or other directed  
22 payment programs for nonpublic hospitals;

23 (C) payments available under another waiver  
24 program authorizing payments that are substantially similar to  
25 Medicaid payments to nonpublic hospitals described by Paragraph (A)  
26 or (B); or

27 (D) any reimbursement to nonpublic hospitals, or

1 that may benefit nonpublic hospitals as determined by the  
2 commissioners court, for which federal matching funds are  
3 available;

4 (2) subject to Section 292E.151(e), pay the  
5 administrative expenses of the county in administering the program,  
6 including collateralization of deposits;

7 (3) refund all or a portion of a mandatory payment  
8 collected in error from a paying hospital; and

9 (4) refund to paying hospitals a proportionate share  
10 of the money that the county:

11 (A) receives from the Health and Human Services  
12 Commission that is not used to fund the nonfederal share of Medicaid  
13 supplemental payment program payments; or

14 (B) determines cannot be used to fund the  
15 nonfederal share of Medicaid supplemental payment program  
16 payments.

17 (c) Money in the local provider participation fund may not  
18 be commingled with other county money.

19 (d) Notwithstanding any other provision of this chapter,  
20 with respect to an intergovernmental transfer of funds described by  
21 Subsection (b)(1) made by the county, any funds received by the  
22 state, county, or other entity as a result of the transfer may not  
23 be used by the state, county, or other entity to:

24 (1) expand Medicaid eligibility under the Patient  
25 Protection and Affordable Care Act (Pub. L. No. 111-148) as amended  
26 by the Health Care and Education Reconciliation Act of 2010 (Pub. L.  
27 No. 111-152); or

1           (2) fund the nonfederal share of payments to nonpublic  
2 hospitals available through the Medicaid disproportionate share  
3 hospital program.

4                   SUBCHAPTER D. MANDATORY PAYMENTS

5           Sec. 292E.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL  
6 NET PATIENT REVENUE. (a) Except as provided by Subsection (f), if  
7 the commissioners court of a county authorizes a program under this  
8 chapter, the commissioners court shall require an annual mandatory  
9 payment to be assessed on the net patient revenue of each  
10 institutional health care provider located in the county. The  
11 commissioners court shall provide for the mandatory payment to be  
12 assessed quarterly. In the first year in which the mandatory  
13 payment is required, the mandatory payment is assessed on the net  
14 patient revenue of an institutional health care provider as  
15 determined by the data reported to the Department of State Health  
16 Services under Sections 311.032 and 311.033 in the most recent  
17 fiscal year for which that data was reported. If the institutional  
18 health care provider did not report any data under those sections,  
19 the provider's net patient revenue is the amount of that revenue as  
20 contained in the provider's Medicare cost report submitted for the  
21 most recent fiscal year for which the provider submitted the  
22 Medicare cost report. The commissioners court shall update the  
23 amount of the mandatory payment on an annual basis.

24           (b) The commissioners court of a county that requires a  
25 mandatory payment under this chapter shall provide each  
26 institutional health care provider on which the payment will be  
27 assessed written notice of an assessment under this chapter. The

1 institutional health care provider must pay the assessment not  
2 later than the 30th day after the date the provider receives the  
3 written notice.

4 (c) The amount of a mandatory payment authorized under this  
5 chapter must be uniformly proportionate with the amount of net  
6 patient revenue generated by each paying hospital in the county. A  
7 program may not hold harmless any institutional health care  
8 provider, as required under 42 U.S.C. Section 1396b(w) and 42  
9 C.F.R. Section 433.68.

10 (d) The commissioners court of a county that requires a  
11 mandatory payment under this chapter shall set the amount of the  
12 mandatory payment. The aggregate amount of the mandatory payment  
13 required of all paying hospitals in the county may not exceed six  
14 percent of the aggregate net patient revenue from hospital services  
15 provided by all paying hospitals in the county.

16 (e) Subject to Subsection (d), the commissioners court of a  
17 county that requires a mandatory payment under this chapter shall  
18 set the mandatory payments in amounts that in the aggregate will  
19 generate sufficient revenue to cover the administrative expenses of  
20 the county for activities under this chapter and to fund an  
21 intergovernmental transfer described by Section 292E.103(b)(1).  
22 The annual amount of revenue from mandatory payments that may be  
23 used to pay the administrative expenses of the county for  
24 activities under this chapter may not exceed \$150,000, plus the  
25 cost of collateralization of deposits, regardless of actual  
26 expenses.

27 (f) A paying hospital may not add a mandatory payment

1 required under this section as a surcharge to a patient.

2 Sec. 292E.152. ASSESSMENT AND COLLECTION OF MANDATORY  
3 PAYMENTS. (a) The county may collect or contract for the assessment  
4 and collection of mandatory payments authorized under this chapter.

5 (b) The person charged by the county with the assessment and  
6 collection of mandatory payments shall charge and deduct from the  
7 mandatory payments collected for the county a collection fee in an  
8 amount not to exceed the person's usual and customary charges for  
9 like services.

10 (c) If the person charged with the assessment and collection  
11 of mandatory payments is an official of the county, any revenue from  
12 a collection fee charged under Subsection (b) shall be deposited in  
13 the county general fund and, if appropriate, shall be reported as  
14 fees of the county.

15 Sec. 292E.153. PURPOSE; CORRECTION OF INVALID PROVISION OR  
16 PROCEDURE; LIMITATION OF AUTHORITY. (a) The purpose of this  
17 chapter is to authorize a county to establish a program to enable  
18 the county to collect mandatory payments from institutional health  
19 care providers to fund the nonfederal share of certain Medicaid  
20 programs as described by Section 292E.103(b)(1).

21 (b) To the extent any provision or procedure under this  
22 chapter causes a mandatory payment authorized under this chapter to  
23 be ineligible for federal matching funds, the commissioners court  
24 of the county administering the program may provide by rule for an  
25 alternative provision or procedure that conforms to the  
26 requirements of the federal Centers for Medicare and Medicaid  
27 Services. A rule adopted under this section may not create, impose,



1 or materially expand the legal or financial liability or  
2 responsibility of the county or an institutional health care  
3 provider located in the county beyond the provisions of this  
4 chapter. This section does not require the commissioners court of a  
5 county to adopt a rule.

6 (c) A county administering a program may only assess and  
7 collect a mandatory payment authorized under this chapter if a  
8 waiver program, uniform rate enhancement, or reimbursement  
9 described by Section 292E.103(b)(1) is available to the county.

10 (d) This chapter does not authorize a county administering a  
11 program to collect mandatory payments for the purpose of raising  
12 general revenue or any amount in excess of the amount reasonably  
13 necessary to fund the nonfederal share of a Medicaid supplemental  
14 payment program or Medicaid managed care rate enhancements for  
15 nonpublic hospitals and to cover the administrative expenses of the  
16 county associated with activities under this chapter.

17 Sec. 292E.154. REPORTING REQUIREMENTS. (a) The  
18 commissioners court of a county that authorizes a program under  
19 this chapter shall report information to the Health and Human  
20 Services Commission regarding the program on a schedule determined  
21 by the commission.

22 (b) The information must include:

23 (1) the amount of the mandatory payments required and  
24 collected in each year the program is authorized; and

25 (2) any expenditure or other use of money attributable  
26 to mandatory payments collected under this chapter.

27 (c) The executive commissioner of the Health and Human



1 Services Commission may adopt rules to administer this section.

2 Sec. 292E.155. AUTHORITY TO REFUSE FOR VIOLATION. The  
3 Health and Human Services Commission may refuse to accept money  
4 from a local provider participation fund administered under this  
5 chapter if the commission determines that acceptance of the money  
6 may violate federal law.

7 Sec. 292E.156. INTEREST AND PENALTIES. The county may  
8 impose and collect interest and penalties on delinquent mandatory  
9 payments assessed under this chapter in any amount that does not  
10 exceed the maximum amount authorized for other delinquent payments  
11 owed to the county.

12 SECTION 2. If before implementing any provision of this Act  
13 a state agency determines that a waiver or authorization from a  
14 federal agency is necessary for implementation of that provision,  
15 the agency affected by the provision shall request the waiver or  
16 authorization and may delay implementing that provision until the  
17 waiver or authorization is granted.

18 SECTION 3. This Act takes effect September 1, 2025.

# ADOPTED

MAY 22 2025

*Lately Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *April S. Paster*

1 Amend C.S.H.B. No. 3348 (senate committee report) in SECTION  
2 1 of the bill, in added Section 292E.151(e), Health and Safety  
3 Code (page 4, lines 30 through 32), by striking "\$150,000, plus  
4 the cost of collateralization of deposits, regardless of actual  
5 expenses." and substituting the following:

6 the following amounts, plus the collateralization of deposits,  
7 regardless of the actual expenses:

8 (1) for a county described by Section 292E.002(2)(A),  
9 \$20,000;

10 (2) for a county described by Section 292E.002(2)(B),  
11 \$150,000; or

12 (3) for a county described by Section 292E.002(2)(C),  
13 \$300,000.

# ADOPTED

MAY 22 2025

FLOOR AMENDMENT NO. 3

*Lately Law*  
Secretary of the Senate

BY: *Tom Parker*

1 Amend C.S.H.B. No. 3348 (senate committee report) by  
2 striking SECTION 3 of the bill, providing an effective date (page 5,  
3 line 36), and substituting the following appropriately numbered  
4 SECTION:

5 SECTION \_\_\_\_\_. This Act takes effect immediately if it  
6 receives a vote of two-thirds of all the members elected to each  
7 house, as provided by Section 39, Article III, Texas Constitution.  
8 If this Act does not receive the vote necessary for immediate  
9 effect, this Act takes effect September 1, 2025.

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

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

**May 23, 2025**

**TO:** Honorable Dustin Burrows, Speaker of the House, House of Representatives

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

**IN RE: HB3348** by Patterson (Relating to the creation and operations of a health care provider participation program in certain counties.), **As Passed 2nd House**

|   |
|---|
| <b>No significant fiscal implication to the State is anticipated.</b> |
|---|

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

**Local Government Impact**

There would be an impact to certain counties related to creating and running a local provider participation fund as would be authorized by the bill.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JMc, SZ, CWi, CMA, BC

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

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

**May 18, 2025**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

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

**IN RE:** **HB3348** by Patterson (relating to the creation and operations of a health care provider participation program in certain counties.), **Committee Report 2nd House, Substituted**

|   |
|---|
| <b>No significant fiscal implication to the State is anticipated.</b> |
|---|

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

**Local Government Impact**

There would be an impact to certain counties related to creating and running a local provider participation fund as would be authorized by the bill.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JMc, SZ, CMA, CWi, BC

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

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

**May 10, 2025**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

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

**IN RE: HB3348** by Patterson (Relating to the creation and operations of a health care provider participation program in certain counties.), **As Engrossed**

|   |
|---|
| <b>No fiscal implication to the State is anticipated.</b> |
|---|

**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, SZ, CWi, BC

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

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

**March 28, 2025**

**TO:** Honorable Cecil Bell, Chair, House Committee on Intergovernmental Affairs

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

**IN RE:** **HB3348** by Patterson (Relating to the creation and operations of a health care provider participation program in certain counties.), **As Introduced**

|   |
|---|
| <b>No fiscal implication to the State is anticipated.</b> |
|---|

**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, SZ, BC, CWi