

BILL ANALYSIS

Senate Research Center

H.B. 935
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Air ambulances transport all emergency patients without knowing if they have any insurance or an ability to pay for the service. In a significant percentage of transports, the patients are indigent and never pay anything. Even if they are Medicaid eligible, the current Medicaid rate reimburses air ambulance providers far less than their costs of service.

H.B. 935 proposes a funding strategy that will work towards solving a significant funding problem for a life-saving service, and will leverage more of our federal tax dollars at the same time. Unlike ground ambulances that operate within a city, county, or hospital taxing district, each air ambulance operates as a regional resource, which may be based in County A, pick up a patient from an auto accident in County B, fly over the top of County C, and deliver them to a trauma center in County D. They are not natural candidates for local tax support, and they provide a service to multiple counties. Air ambulances, therefore, operate in all taxing jurisdictions yet, functionally, in no taxing jurisdictions.

Similarly, unlike hospitals and physicians, air ambulances are not eligible for funding of indigent patients through the trauma fund or the Disproportionate Share (DSH) Program. The proposed 17 percent of the state traffic fine (\$5) would be sent to a created fund at the Department of State Health Services, and then used to apply for the maximum match of federal funds. The total amount derived from the fund and its match will then be added to the otherwise appropriated funds for air ambulance and to promulgate rates for air ambulance services in Medicaid.

H.B. 935 does not create a new tax or fee and makes prudent utility of general revenue dollars derived from state traffic fines—a leading driver of air ambulance dispatches. H.B. 935 is a solution that both ensures the viability of air ambulance services and repatriates some of our federal tax dollars back to Texas.

H.B. 935 amends current law relating to emergency medical air transportation funding.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 773, Health and Safety Code, by adding Subchapter I, as follows:

SUBCHAPTER I. EMERGENCY MEDICAL AIR TRANSPORTATION FUNDING

Sec. 773.221. DEFINITIONS. Defines "account" and "commission."

Sec. 773.222. EMERGENCY MEDICAL AIR TRANSPORTATION ACCOUNT. (a) Establishes the emergency medical air transportation account (account) as a dedicated account in the general revenue fund (GR fund). Provides that that account is composed of money deposited to the credit of the account under Section 542.4031 (State Traffic Fine), Transportation Code, and, notwithstanding Section 404.071 (Disposition of Interest on

Investments), Government Code, interest earned on the investment of money in the account and depository interest allocable to the account.

(b) Authorizes money in the account to be appropriated only to the Department of State Health Services (DSHS) for the purposes described by Subsection (c).

(c) Requires the commissioner of state health services to:

(1) use the money appropriated from the account to provide funding, in addition to funding available from other sources, for emergency medical air transportation; and

(2) after consulting with the executive commissioner of the Health and Human Services Commission (HHSC), transfer the money appropriated from the account to HHSC to:

(A) provide reimbursements under the medical assistance program under Chapter 32 (Medical Assistance Program), Human Resources Code, to providers of emergency medical air transportation services, including reimbursement enhancements to the statewide dollar amount rate used to reimburse designated air ambulance services under the program; and

(B) maximize the receipt of federal funds under the medical assistance program under Chapter 32, Human Resources Code, to the extent possible.

SECTION 2. Amends Section 542.4031(g), Transportation Code, as follows:

(g) Requires the Texas comptroller of public accounts (comptroller), of the money received by the comptroller under this section, to deposit:

(1) 50 percent, rather than 67 percent, to the credit of the undedicated portion of the GR fund;

(2) makes a nonsubstantive change; and

(3) 17 percent to the credit of the account under Section 773.222, Health and Safety Code.

SECTION 3. Makes application of Section 542.4031(g), Transportation Code, as amended by this Act, prospective.

SECTION 4. Effective date: October 1, 2017.