

SUBJECT: Creating new dedicated account for emergency air transportation funding

COMMITTEE: Appropriations — committee substitute recommended

VOTE: 20 ayes — Otto, Ashby, Bell, Burkett, Capriglione, S. Davis, Giddings, Gonzales, Howard, Hughes, Koop, Márquez, McClendon, R. Miller, Phelan, Raney, J. Rodriguez, Sheffield, VanDeaver, Walle

0 nays

7 absent — Sylvester Turner, G. Bonnen, Dukes, Longoria, Miles, Muñoz, Price

WITNESSES: For — Bill Bryant; (*Registered, but did not testify:* Brian Lankford, AeroCare; Joe Estrada, AeroCare/Med-Trans Corp.; Tim Pickering, Air Evac; Brandon Mcguire, Air Evac Lifeteam; Cindy Gurley, Air Med 1; Thomas Kinney and Blythe Long, AMGH; Jake Posey, Bell Helicopter; Stewart Jackson, Lifestar Amarillo; Ashley Liebig and Phil Ward, PHI Air Medical; Glenn Anderson, Southeast Texas Air Rescue; Meredith Harper, REACH Air Medical; Julie Lewis, REACH Air Medical dba Methodist Aircare; Reggie Regan, San Antonio Airlife; Jay Propes, Sierra Health Group; Michael Boulding, Texas AirLIFE, Inc., dba San Antonio AirLIFE; Scott Hitchman, Texas AirLIFE, Inc.; Joshua Houston, Texas Impact; Don McBeath, Texas Organization of Rural and Community Hospitals; Pete Wolf, Windthorst Fire Department)

Against — None

On — (*Registered, but did not testify:* Joseph Schmider, Department of State Health Services; Dan Huggins, Health and Human Services Comission; Dinah Welsh, Texas EMS, Trauma and Acute Care Foundation)

BACKGROUND: While air ambulances can be reimbursed through Medicare and Medicaid, some of those transported do not have insurance or the ability to pay. Medicaid reimbursement rates are below those of Medicare, with both

generally being below the cost of the service. Reimbursement through the trauma fund or the Disproportionate Share Hospital program may not be available for air ambulances.

Transportation Code, sec. 542.4031 establishes a state traffic fine of \$30 for those pleading guilty or no contest to offenses under the code. Local jurisdiction can keep 5 percent of the fines, and the rest goes to the state, with 67 percent of the amount going to the undedicated portion of the general revenue fund and 33 percent going to the designated trauma facility and emergency services account established in Health and Safety Code, sec. 780.003.

DIGEST:

CSHB 3077 would establish the emergency medical air transportation account as a dedicated account in the general revenue fund. It would be composed of money deposited to the account from the state traffic fine established in Transportation Code, sec. 542.4031 and interest earned on the account.

Money in the account could be appropriated only to the Department of State Health Services to provide funding for emergency medical air transportation and as a transfer to the Health and Human Services Commission to provide reimbursements under Medicaid to emergency medical air transportation services. Uses of the reimbursements would include reimbursement enhancements to designated air ambulance services. Funds also could be transferred to the commission to maximize the receipt of federal funds under Medicaid.

The bill would adjust the allocation of the state traffic fine. The amount credited to the undedicated portion of general revenue would be reduced from 67 percent to 50 percent, and 17 percent of the fine would be credited to the fund.

The bill would take effect September 1, 2015, and would apply to the distribution of revenue collected on or after that date.

NOTES:

CSHB 3077 would have a negative net impact of \$29.6 million to general

revenue in fiscal 2016-17. There would be a corresponding increase in the new general revenue dedicated account that would be established by the bill.