

SUBJECT: Dedicating certain traffic fines to emergency medical air transportation

COMMITTEE: Appropriations — favorable, without amendment

VOTE: 22 ayes — Zerwas, Longoria, Ashby, G. Bonnen, Capriglione, Cospers, S. Davis, Dean, Giddings, Gonzales, González, Howard, Koop, Muñoz, Perez, Phelan, Raney, Roberts, Rodriguez, Sheffield, VanDeaver, Walle

0 nays

5 absent — Dukes, Miller, Rose, Simmons, Wu

WITNESSES: For — Timothy Pickering, Air Evac Lifeteam; (*Registered, but did not testify*: Patrick Brennan, Megan Grattan, Air Evac Lifeteam; Shawn Salter, Air Methods Corporation; Jake Posey, Bell Helicopter; Bill Lewis, Mothers Against Drunk Driving; Traci Fox, Lora Baumgartner, David Giles, Greg Helton, Lee Hinrichsen, Laura Price, Dustin Ross, Graham Pierce, PHI Air Medical, LLC; Joseph Green, Travis County Commissioners Court; Raif Calvert; Jay Propes)

Against — (*Registered, but did not testify*: Adam Cahn, Cahnman's Musings)

On — (*Registered, but did not testify*: Jane Guerrero, Department of State Health Services; Pam McDonald, Health and Human Services Commission)

BACKGROUND: Transportation Code, sec. 542.4031 requires a \$30 court fee, known as a state traffic fine, to be assessed upon conviction of a traffic offense under Transportation Code, Title 7, Subtitle C.

A local jurisdiction may keep up to 5 percent of the fine, with the rest going to the state. Of the amount going to the state, 33 percent is dedicated to the Trauma Facility and Emergency Services Fund established by Health and Safety Code, sec. 780.003, with the other 67 percent remaining as undedicated general revenue.

DIGEST: HB 935 would dedicate 17 percent of undedicated revenue collected under Transportation Code, sec. 542.4031 to a new general revenue dedicated account, known as the emergency medical air transportation account.

Appropriated funds in this account could be used by the Department of State Health Services to provide funding for emergency medical air transportation. Funds also could be transferred to the Health and Human Services Commission (HHSC) to provide reimbursements to emergency medical air transportation providers under the medical assistance program under Human Resources Code, ch. 32, or to maximize the receipt of federal funds under that program.

This bill would take effect September 1, 2017, and would apply only to revenue collected on or after that date.

SUPPORTERS SAY: HB 935 would address a critical need for funding in the state's trauma system. Air ambulances serve many patients who are indigent, and many current funding sources such as Texas Medicaid reimburse far below the cost of the service. This drives up costs on other patients.

This bill would resolve this problem by dedicating a specific, consistent funding source that would go to air ambulances directly, to increase Medicaid reimbursement rates for air ambulances, or to draw down certain additional federal matching dollars. Variable appropriations would not provide the needed consistency and reliability.

OPPONENTS SAY: Dedicated accounts tie the hands of the Legislature by channeling appropriations toward shifting or evolving state priorities and limiting the amount of general revenue over which lawmakers have discretion. The Legislature already can appropriate general revenue to fund emergency medical air transportation if it sees fit, so it does not need to create yet another dedicated account.

NOTES: According to the Legislative Budget Board, the bill would have a negative fiscal impact of \$26.8 million on general revenue related funds in the

2018-19 biennium and in subsequent biennia.