

- SUBJECT:** Creating dedicated account for newborn screenings
- COMMITTEE:** Public Health — favorable, with amendment
- VOTE:** 7 ayes — S. Thompson, Wray, Allison, Coleman, Frank, Price, Zedler
0 nays
4 absent — Guerra, Lucio, Ortega, Sheffield
- SENATE VOTE:** On final passage, March 19 — 31-0
- WITNESSES:** For — Khrystal K Davis; (*Registered, but did not testify:* Kwame Walker, BIOGEN; Anne Dunkelberg, Center for Public Policy Priorities; Maggie Stern, Children's Defense Fund; Chase Bearden and Chris Masey, Coalition of Texans with Disabilities; Lindsay Lanagan, Legacy Community Health; Christine Yanas, Methodist Healthcare Ministries of South Texas, Inc.; Kaska Watson, National Infusion Center Association; Brittani Bilsle, Sarepta Therapeutics; AJ Louderback, Sheriffs Association of Texas; Marshall Kenderdine, Texas Academy of Family Physicians; Carla Rider, Texas EMS, Trauma and Acute Care Foundation; Carrie Kroll, Texas Hospital Association; Troy Alexander, Texas Medical Association; Kaitlyn Doerge, Texas Pediatric Society; Beth Cortez-Neavel, TexProtects-The Texas Association for the Protection of Children; Thomas Kowalski, THBI; Richard Perez, The San Antonio Chamber of Commerce; Nataly Saucedo, United Ways of Texas; Joy Davis)

Against — (*Registered, but did not testify:* Margarita Strickland; Joshua Stubbs; Ruth York)

On — (*Registered, but did not testify:* Imelda Garcia, Department of State Health Services)
- BACKGROUND:** Health and Safety Code sec. 33.004 requires the Department of State Health Services to implement a newborn screening program. The

executive commissioner of the Health and Human Services Commission by rule may establish the amounts charged for newborn screening fees, including fees assessed for follow-up services, tracking confirmatory testing, and diagnosis.

Tax Code ch. 323 establishes the County Sales and Use Tax Act, which governs the administration of sales and use taxes in counties. Tax Code ch. 26 excludes certain city, county, and hospital districts' additional sales and use taxes from certain property tax assessment provisions.

Observers have noted the need to create a sustainable source of funding for newborn screenings. Newborn screenings help identify rare genetic disorders early, which can prevent complications such as developmental delays, illness, or even death. Observers have suggested that providing financial stability for the department's newborn screening program would ensure infants continued receiving screenings needed to identify, treat, and manage rare disorders.

DIGEST:

SB 748, as amended, would create a general revenue dedicated account to fund newborn screenings conducted by the Department of State Health Services (DSHS). The bill also would allow the Midland County Hospital District to impose a sales and use tax and make other conforming changes in Special District Local Laws Code ch. 1061 and Tax Code ch. 26.

Newborn screening preservation account. The bill would create the newborn screening preservation account, which would be a general revenue dedicated account administered by DSHS. Money in the account could be appropriated only to the department for the purpose of carrying out the newborn screening program.

On November 1 of each year, the comptroller would have to transfer to the account any unexpended and unencumbered money from Medicaid reimbursements collected by the department for newborn screening services during the preceding state fiscal year. DSHS could solicit and receive gifts, grants, and donations from any source for the benefit of the account.

The account would be composed of:

- money transferred to the account by the comptroller;
- gifts, grants, donations, and legislative appropriations; and
- interest earned on the investment of money in the account.

DSHS could use any money remaining in the account after paying the costs of operating the newborn screening program only:

- to pay the costs of offering additional newborn screening tests not offered under the program before September 1, 2019; and
- to pay for capital assets, equipment, and renovations for the laboratory established by the department to ensure the continuous operation of the newborn screening program.

DSHS could not use money from the account for the department's general operating expenses.

Rules. The executive commissioner of the Health and Human Services Commission by rule would have to establish amounts charged for newborn screening fees and ensure those amounts were sufficient to cover the costs of performing the screening.

Report. By September 1 of each even-numbered year, DSHS would have to submit a written report to the governor, lieutenant governor, House speaker, the Legislative Budget Board, and the appropriate legislative standing committees summarizing:

- the implementation plan for additional newborn screening tests, including anticipated completion dates for implementing the tests and potential barriers in conducting tests; and
- the department's actions to fund and implement the test during the preceding two years.

DSHS would have to submit the first report by December 1, 2019.

Midland County Hospital District. SB 748, as amended, would authorize the Midland County Hospital District to adopt, change the rate of, or abolish a sales and use tax at an election held in the district. The bill would prohibit the district from adopting or increasing a tax if as a result the combined rate of all sales and use taxes in the district would exceed 2 percent. Revenue collected from a tax imposed under the bill could be used by the Midland County Hospital District for any purpose of the district authorized by law.

The bill would establish election procedures, a tax effective date, and other provisions governing the tax rate and a tax election of the district.

The bill would take effect September 1, 2019.

NOTES:

The committee amendment would allow the Midland County Hospital District to impose a sales and use tax and make other conforming changes in Special District Local Laws Code ch. 1061 and Tax Code ch. 26.