

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 27, 2003

TO: Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1016 by Gallego (Relating to health care for certain Texans; providing a penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1016, As Introduced: a negative impact of (\$4,456,510) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would require the Comptroller of Public Accounts to study the feasibility of implementing a universal vaccine purchase program in the state, with a report detailing the study's findings due no later than January 15, 2005. The bill would amend Subchapter A, Chapter 161 of the Health and Safety Code to make several changes in reports to the state immunization registry. Children born in Texas would automatically participate in the registry unless a parent, legal guardian, or managing conservator requests in writing that the child's information not be included. The bill would amend Chapter 61 of the Education Code to establish a Border Health Corps to encourage the training, recruitment, and retention of health care professionals and practitioners in health professional shortage areas in the Texas-Mexico border region. Subchapter G, Chapter 487 of the Government Code, establishing the Office of Rural Community Affairs Texas Health Service Corps would be repealed and that program's funding transferred to the Texas Higher Education Coordinating Board to administer the new Border Health Corps. The bill would take effect September 1, 2003.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$2,329,935)
2005	(\$2,126,575)
2006	(\$2,126,575)
2007	(\$2,126,575)
2008	(\$2,126,575)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable (Cost) from GENERAL REVENUE MATCH FOR MEDICAID 758	Probable (Cost) from FEDERAL FUNDS 555
2004	(\$472,500)	(\$1,857,435)	(\$2,809,487)
2005	(\$250,000)	(\$1,876,575)	(\$2,881,475)
2006	(\$250,000)	(\$1,876,575)	(\$2,881,475)
2007	(\$250,000)	(\$1,876,575)	(\$2,881,475)
2008	(\$250,000)	(\$1,876,575)	(\$2,881,475)

Fiscal Analysis

The required contracted report by Comptroller of Public Accounts (CPA) on universal immunization is estimated to cost \$172,500 in General Revenue in FY 04 only. This includes staff time, travel, consultant costs and report costs.

The bill would provide for promotoras to be compensated for health outreach and assistance programs. The Health and Human Services Commission estimates a pursuant increase in Targeted Case Management billings under Medicaid. This increase is also estimated to occur at Department of Mental Health and Mental Retardation. These costs are \$3.7 million General Revenue and \$5.6 million Federal Funds for the biennium.

The bill would direct the Texas Education Agency (TEA) to periodically assess the adequacy of health science technology and college preparatory courses and programs in secondary schools in the border region area and to assist school districts in operating related monitoring programs. The TEA cost estimate includes \$50,000 for a contracted study of existing health science technology and preparatory. It also includes \$50,000 in grants for each of the five Regional Education Service Centers (1, 15, 18, 19 and 20) to provide mentoring programs and tracking and reporting on program students.

The bill would also create a statewide network of summer study science instruction programs. The impact on school districts would depend on how many new programs would be established under this network. Based on costs of the current optional extended year program (\$670 per student), TEA estimates that if 27,000 students participated in the program, annual costs would be \$18 million.

The bill would require the transfer of available appropriations, estimated to be \$55,000 General Revenue in FY 04 and \$85,000 General Revenue in FY05, from the Office of Rural Community Affairs to the Higher Education Coordinating Board to administer the newly created Border Health Corps.

The Department of Health states it could absorb the costs of programming changes in the immunization registry and staff support to the Border Health Foundation.

Local school districts could have fiscal implications to provide summer study science instruction programs.

Methodology

The HHSC assumptions include a 20% increase in targeted case management services under Medicaid, which would be 81,000 in FY 04 and 85,000 in FY 05, with 88% estimated to cost \$54.58 and 12% estimated to cost \$18.00. The federal medical assistance percentage is assumed to be 60.20% in FY 04 and 60.56% in FY 05-FY 08. The same assumption have been applied to the case management population at Dept. of Mental Health and Mental Retardation, with 9,800 services estimated in each fiscal year.

Technology

Programming costs to add a new Medicaid provider group at HHSC (\$109,634) have been included .

Local Government Impact

Local school districts could have fiscal implications to provide summer study science instruction programs.

Source Agencies: 303 Building and Procurement Commission, 357 Office of Rural Community Affairs, 501 Department of Health, 781 Higher Education Coordinating Board, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 701 Central

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