

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 10, 2003

TO: Honorable David Swinford, Chair, House Committee on Government Reform

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1149 by Swinford (Relating to the medical transportation program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB314, As Introduced: a positive impact of \$4,299,000 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.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$1,433,000
2005	\$2,866,000
2006	\$2,866,000
2007	\$2,866,000
2008	\$2,866,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable Savings/(Cost) from <i>FEDERAL FUNDS 555</i>	Change in Number of State Employees from FY 2003
2004	\$1,433,000	\$1,433,000	(76.5)
2005	\$2,866,000	\$2,866,000	(153.0)
2006	\$2,866,000	\$2,866,000	(153.0)
2007	\$2,866,000	\$2,866,000	(153.0)
2008	\$2,866,000	\$2,866,000	(153.0)

Fiscal Analysis

The bill would partially implement recommendation HHS 3, "Consolidate Health and Human Service Agencies to Reduce Cost and Improve Service Delivery" from the Comptroller's e-Texas report, "Limited Government, Unlimited Opportunity".

The bill would transfer the Medical Transportation Program (MTP), which serves Medicaid clients, from the Department of Health to the Health and Human Services Commission (HHSC) no later than September 1, 2004. The bill would direct HHSC to contract with a single statewide transportation broker or with an appropriate number of regional transportation brokers for administrative assistance in providing transportation services under MTP.

Methodology

Savings assumptions are compared to a continuation of current law and policies, and are derived from the Comptroller's fiscal note for Senate Bill 314.

1. It is assumed that the program would transfer no later than March 1, 2004 and that HHSC would implement a contractual arrangement with a transportation broker no later than March 1, 2004.
2. It is estimated that a contractual arrangement with a transportation broker would result in a Full-time Equivalents (FTE) reduction totaling 76.5 in fiscal year 2004, and 153.0 in each subsequent fiscal year.
3. The estimated FTE-related All Funds savings would total \$2,866,000 in fiscal year 2004 and \$5,732,000 in each subsequent year. Savings would accrue equally to Federal Funds and General Revenue.

Local Government Impact

The fiscal implication to units of local government is unknown.

There could be an impact to units of local government that operate a transportation system that is currently an MTP contractor. However, it is unknown whether the transportation broker would continue to subcontract with these public transportation systems, and if so, at what rate.

Source Agencies: 501 Department Of Health, 529 Health And Human Services Commission, 304 Comptroller Of Public Accounts

LBB Staff: JK, GO, JO, EB, PP