

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 1, 2003

TO: Honorable Dianne White Delisi, Chair, House Committee on State Health Care Expenditures, Select

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1559 by Coleman (Relating to a demonstration project to provide certain services and medications through the medical assistance program to persons with HIV infection or AIDS.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1559, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from Counties	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2004	(\$7,689,676)	(\$11,631,119)
2005	(\$7,620,122)	(\$11,700,673)
2006	(\$7,614,325)	(\$11,706,470)
2007	(\$7,614,325)	(\$11,706,470)
2008	(\$7,614,325)	(\$11,706,470)

Fiscal Analysis

The bill would provide for a demonstration project to provide certain medical services and medications through the Medicaid program for persons with HIV infection or AIDS. The medical services would include services provided by a physician, physician assistant, advanced practice nurse, or other health care provider, other medications necessary for the treatment of HIV or AIDS, certain vaccinations, certain gynecologic services, hospitalizations, and other laboratory services. The demonstration project would be established in at least a two counties with a high prevalence of HIV and AIDS. A person would be eligible if the person is diagnosed with HIV or AIDS by a physician, is under 65 years of age, has a net family income that is at or below 200% of federal poverty level, is a resident in the county where the project is being conducted, is not adequately covered by a health benefits plan, and is not otherwise eligible for medical assistance. No entitlement would be created. The Health and Human Services Commission would be required to apply for a federal waiver and to

submit a biennial report to the legislature. The bill would the counties selected for the project to provide financing.

Methodology

It is assumed 2700 clients will participate in the project and the annual cost of outpatient services would be \$4,306 per client. It is assumed the cost of a hospitalization stay for a person with AIDS or HIV is \$10,555, based upon cost data from the University of Texas Medical Branch at Galveston. It is assumed that 15% of the participants will require 1.8 hospitalization stays per year. It is assumed that the state HIV medication program would not be significantly impacted since the participants would continue to receive medications through that program. It is assumed that local governments would supply the state match. The federal matching rate is assumed to be 60.2 percent in fiscal year 2004, 60.56 percent in fiscal year 2005, and 60.59 percent in the remaining years.

It is assumed services provided through the demonstration project would satisfy the maintenance of effort requirement for the HIV Care Formula Grant.

Local Government Impact

Fiscal impact to local government is illustrated in the above tables and analysis.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JK, EB, KF, AJ