

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 14, 2003

TO: Honorable Carlos Uresti, Chair, House Committee on Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1596 by Christian (Relating to a requirement that recipients of public assistance enroll dependent children in a public health care program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1596, As Introduced: a negative impact of (\$102,525,492) 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	(\$51,611,255)
2005	(\$50,914,237)
2006	(\$50,914,237)
2007	(\$50,914,237)
2008	(\$50,914,237)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable (Cost) from <i>FEDERAL FUNDS 555</i>	Probable (Cost) from <i>GR MATCH FOR TITLE XXI (CHIP) 8010</i>	Change in Number of State Employees from FY 2003
2004	(\$48,990,455)	(\$81,129,655)	(\$2,620,800)	50.0
2005	(\$48,293,437)	(\$80,486,638)	(\$2,620,800)	25.0
2006	(\$48,293,437)	(\$80,486,638)	(\$2,620,800)	25.0
2007	(\$48,293,437)	(\$80,486,638)	(\$2,620,800)	25.0
2008	(\$48,293,437)	(\$80,486,638)	(\$2,620,800)	25.0

Fiscal Analysis

The bill would direct the Health and Human Services Commission (HHSC) to adopt rules requiring a person receiving public assistance under a program administered by the commission or a health and human services agency, as a condition of receiving that assistance, to enroll each of the person's dependent children in any public health care program for which the child is eligible.

The estimated fiscal impact of the bill is a cost or increased expenditure related to the enrollment of additional children in the Medicaid and Children's Health Insurance (CHIP) programs.

Methodology

The following estimate is based on responses provided by the Health and Human Services Commission (HHSC), the Department of Health (TDH) and the Department of Human Services (DHS). The estimate includes costs associated with the Medicaid and Children's Health Insurance (CHIP) programs only.

HHSC estimates the bill would increase the number of children in the Medicaid program by 42,500 in fiscal year 2004 and in each subsequent fiscal year. The estimated HHSC expense per client per month (for health care premiums, prescription drugs, and other medical services) is \$200. It is estimated that General Revenue (Match for Medicaid) would finance approximately 40 percent of client services expenditures, with Federal (Medicaid) Funds financing the remaining percentage.

These 42,500 children would also receive Medicaid services through TDH, including dental screenings and treatment, medical screenings, and medical transportation. Certain older children would also receive women's health/family planning services. The estimated overall average cost per child per month is \$37.25. It is estimated that General Revenue (Match for Medicaid) would finance approximately 37 percent of client services expenditures, with Federal (Medicaid) Funds financing the remaining percentage. (Women's health/family planning services require only a 10 percent General Revenue share. This decreases the overall average General Revenue share.)

HHSC estimates the bill would increase the number of children in the CHIP program by 7,500 in fiscal year 2004 and in each subsequent fiscal year. The estimated expense per client per month (for health care premiums, prescription drugs, and other medical services) is \$104. It is estimated that General Revenue (Match for XXI (CHIP)) would finance approximately 28 percent of client services expenditures, with Federal (XXI (CHIP)) Funds financing the remaining percentage.

DHS estimates that identifying children that are potentially eligible for Medicaid, explaining the bill's requirements to families, and enrolling eligible children would require additional staff. It is estimated that DHS would increase the number of full-time-equivalents (FTEs) by 50.0 in fiscal year 2004, and then reduce the number to 25.0 in subsequent fiscal years. DHS estimates that more FTEs would be needed in fiscal year 2004 in order to review all existing Food Stamp cases. It is estimated that salary and related expenses would total \$2,310,750 in fiscal year 2004, this would include a one-time equipment expense of \$340,000. It is estimated that salary and related expenses would total \$986,875 in each subsequent fiscal year. Additionally, DHS estimates that one-time information technology expenses would total \$70,160 in fiscal year 2004. It is estimated that these administrative expenses would be evenly financed with General Revenue (Match for Medicaid) and Federal (Medicaid) Funds.

Technology

According to the Department of Human Services (DHS), the bill would require modifications to existing information systems and to information systems under development.

Local Government Impact

The bill could have a positive impact on local governments to the extent that General Revenue and Federal Funding begins to finance health coverage for children that previously relied on county indigent health care services or other health care services that are at least partially funded with local funds.

Source Agencies: 324 Department of Human Services, 501 Department of Health, 529 Health and Human Services Commission

LBB Staff: JK, WP, EB, PP