

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 24, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1736 by Turner (Relating to the review of the reimbursement methodology for and resource needs of nursing facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1736, As Introduced: a negative impact of (\$500,000) 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	(\$500,000)
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR MEDICAID</i> 758	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2004	(\$500,000)	(\$500,000)
2005	\$0	\$0
2006	\$0	\$0
2007	\$0	\$0
2008	\$0	\$0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC), in conjunction with the Department of Human Services (DHS), to evaluate the Texas Index for Level of Effort (TILE) classification system--used to quantify the intensity of the care needs of individuals in nursing facilities and to assign daily reimbursement rates for that care--to determine whether the system accurately accounts for the care needs of patients with dementia, including patients with Alzheimer's disease. HHSC would report findings to the Governor, Lieutenant Governor, and Speaker of the House of Representatives not later than September 1, 2004.

Methodology

The following estimate is based upon coordinated responses provided by HHSC and DHS.

1. The cost of conducting the study in fiscal year 2004 is estimated to total \$1,000,000. Costs would be shared equally by General Revenue (Match for Medicaid) and Federal (Medicaid) Funds.
2. It is assumed that DHS would secure and administer the data collection and evaluation contract. It is also assumed that DHS would receive the appropriation for the contract.
3. It is assumed that HHSC would determine payment rates that would result from any changes to the TILE system. It is assumed that this activity could be accomplished using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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