

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 7, 2003**

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2606** by Coleman (Relating to access to and funding for women's health care services.),  
**As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2606, As Introduced: a negative impact of (\$21,476,209) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2004	(\$12,758,737)
2005	(\$8,717,472)
2006	\$32,082,528
2007	\$32,082,528
2008	\$32,082,528

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GR MATCH FOR MEDICAID 758</b>	<b>Probable Savings from GR MATCH FOR MEDICAID 758</b>	<b>Probable (Cost) from FEDERAL FUNDS 555</b>	<b>Probable Savings from FEDERAL FUNDS 555</b>
2004	(\$12,758,737)	\$0	(\$66,269,257)	\$25,200,000
2005	(\$25,517,472)	\$16,800,000	(\$132,538,515)	\$86,400,000
2006	(\$25,517,472)	\$57,600,000	(\$132,538,515)	\$86,400,000
2007	(\$25,517,472)	\$57,600,000	(\$132,538,515)	\$86,400,000
2008	(\$25,517,472)	\$57,600,000	(\$132,538,515)	\$86,400,000

**Fiscal Analysis**

The bill would establish a five year Medicaid demonstration project to expand the access to preventative health and family planning services for women. Not later than December 1 of each numbered year, the Health and Human Services Commission would submit a report to the Legislature regarding progress in establishing and operating the demonstration project.

**Methodology**

The bill would have fiscal impacts on two state agencies: the Department of Health (TDH) and the Health and Human Services Commission (HHSC). The provision of client services is assumed to begin February 1, 2004.

**Department of Health--Costs.** It is estimated that TDH would provide Medicaid family planning services to additional women: 317,382 in FY 2004 and 634,763 in each subsequent fiscal year. The estimated annual cost for family planning services per woman is \$144. General Revenue (Match for Medicaid) would finance ten percent of expenditures, with matching Federal (Medicaid) Funds financing the remainder.

**Health and Human Services Commission--Costs.** It is estimated that HHSC would provide limited Medicaid services to additional women: 26,448 (recipient months per month) in FY 2004 and 52,897 for each subsequent fiscal year. Services and their average monthly cost would include: preventive office visits (\$30), breast and cervical cancer screenings (\$35), and prescription drugs related to family planning. The estimated General Revenue (Match for Medicaid) share of expenditures is 40 percent for preventive office visits, 28 percent for breast and cervical cancer screenings, and ten percent for prescription drugs.

**Health and Human Services Commission--Savings.** It is estimated that the provision of family planning services to additional women would avert a number of births that would have otherwise been paid for by Medicaid. The estimated number of averted births is 3,500 in FY 2004 and 12,000 for each subsequent fiscal year. The estimated savings for each averted birth is \$12,000. The estimated General Revenue (Match for Medicaid) share of savings is 40 percent.

It is assumed that state administrative activities related to developing, administering, and evaluating the demonstration project could be absorbed within existing resources.

### **Local Government Impact**

Hospitals and other local-funded entities that provide indigent care could benefit from the expansion of Medicaid-funded services.

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

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