

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: HB3059 by Jones, Jesse (Relating to the administration and functions of the Texas Department on Aging and to the transfer of certain programs and activities to the Texas Department on Aging.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3059, As Introduced: a negative impact of (\$1,170,518) 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	(\$597,759)
2005	(\$572,759)
2006	(\$572,759)
2007	(\$572,759)
2008	(\$572,759)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Change in Number of State Employees from FY 2003
2004	(\$597,759)	(\$597,759)	29.0
2005	(\$572,759)	(\$572,759)	29.0
2006	(\$572,759)	(\$572,759)	29.0
2007	(\$572,759)	(\$572,759)	29.0
2008	(\$572,759)	(\$572,759)	29.0

Fiscal Analysis

The bill would amend Chapter 101 of the Human Resources Code to require that the function of investigating abuse, neglect, or exploitation of the elderly be moved from the Texas Department of Protective and Regulatory Services (TDPRS) to the Texas Department on Aging (TDoA). The bill would also require TDoA to determine eligibility of elderly persons for public and private services (including Medicaid) and to provide appropriate community-based services to the elderly.

TDPRS estimates transferring 372 Full Time Equivalent (FTEs) and \$15,985,792 in All Funds per year to TDoA in order to transfer Adult Protective Services (APS). \$14,847,392 of these funds would be General Revenue related, and \$1,138,400 would be Federal Funds.

TDPRS also assumes that TDoA would use TDPRS's client database, IMPACT, for case recording. TDPRS estimates a transfer of \$200,490 in All Funds per year would be required to facilitate and maintain the use of IMPACT by TDoA, this is included in the \$15,985,792. It is assumed there would be no fiscal impact to the state related to this transfer. These amounts are based upon fiscal year 2003 appropriations and may be different from amounts appropriated in fiscal years 2004 and 2005.

Current APS operations define elderly as 65 or older. TDoA defines elderly as 60 or older. If TDoA maintains its current definition, it may have to add employees in excess of those transferred from TDPRS in order to address the needs of clients aged 60-64 who are not currently served by APS. TDoA did not provide a cost estimate for this scenario.

The bill would require TDoA to perform eligibility determination functions for elderly clients. These functions, as they relate to Medicaid, are currently performed by the Department of Human Services (DHS). It is unclear whether the bill would transfer existing eligibility determination services currently administered by DHS to TDoA, or if TDoA would have to develop services in addition to what is currently in place.

For the purposes of this estimate, it is assumed that TDoA would have to develop and implement a program to determine Medicaid eligibility. This estimate does not include costs associated with determining eligibility for other private or public services.

Methodology

Because federal law requires final determination of Medicaid eligibility to be made by a state employee, it is assumed that the Texas Department of Aging (TDoA) would put one eligibility determination worker in each of the 28 Area Agencies on Aging. A salary per employee of \$28,000 is assumed. Benefits costs are calculated as .2846 of salary. An overhead and travel estimate of \$1,000 per employee is assumed. It is also assumed that TDoA would hire a Program Manager in the central office to coordinate the program. A salary of \$46,000 is assumed, and travel of \$1,300 is assumed.

Administrative expenses are matched in the Medicaid program at 50 percent federal, 50 percent state. These costs do not include an estimate for costs associated with provider directories, postage, or other administrative expenditures.

Technology

It is assumed that there would be a cost of \$100,000 in the fiscal year 2004, and \$50,000 in subsequent years, to enable access at each of the Area Agencies on Aging to Medicaid eligibility computer systems at the Department of Human Services.

It is also assumed that there would be a transfer of \$200,490 from the Texas Department of Protective and Regulatory Services (TDPRS) to the Texas Department of Aging (TDoA) to facilitate and maintain use of the TDPRS's case recording system, IMPACT, at TDoA.

Local Government Impact

Assuming the current structure and processes of the Texas Department of Aging, transferred Texas Department of Protective and Regulatory Services caseworkers may become employees of local Area Agencies on Aging (AAAs), which are under local Councils of Government (COGs). Taking on the responsibility of administering a protective services program could have fiscal implications for the COGs and local governments connected to them. In addition, place eligibility determination workers in each of the Area Agencies on Aging could have indirect costs for the AAAs.

Source Agencies: 304 Comptroller of Public Accounts, 324 Department of Human Services, 340 Department on Aging, 529 Health and Human Services Commission, 530 Department of Protective and Regulatory Services

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