

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3182 by Delisi (Relating to establishment of a consumer-directed care demonstration program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3182, As Introduced: a negative impact of (\$518,819) 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	(\$276,000)
2005	(\$242,819)
2006	(\$242,819)
2007	(\$242,819)
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	Change in Number of State Employees from FY 2003
2004	(\$276,000)	(\$276,000)	10.0
2005	(\$242,819)	(\$242,819)	10.0
2006	(\$242,819)	(\$242,819)	10.0
2007	(\$242,819)	(\$242,819)	10.0
2008	\$0	\$0	0.0

Fiscal Analysis

The bill would implement recommendation HHS 24 in the Comptroller of Public Accounts' *Special Report to the Legislature*. The bill would direct the Health and Human Services Commission (HHSC), in cooperation with the Department of Human Services (DHS), to establish by rule a demonstration program in which certain individuals enrolled in a Medicaid waiver are given a monthly stipend to direct the delivery of home and community-based services provided to the individual under the waiver program. The demonstration program would operate in each of the Medicaid managed care service delivery areas. An annual report on the effectiveness of the program would be due February 1 of each year.

Methodology

The following estimate is based on responses provided by the Department of Human Services (DHS) and the Health and Human Services Commission (HHSC).

It is assumed that DHS would be responsible for operating the demonstration program. DHS estimates that funding currently used to purchase services on behalf of 200 clients would be redirected to those clients in the form of a stipend. Therefore, DHS estimates there would be increase in client services expenditures.

DHS estimates 10 additional full-time-equivalents (FTEs) would be needed to perform case management activities. It is estimated that salaries and related expenses, including travel and one-time equipment expenses, would total \$531,000 in All Funds in fiscal year 2004. It is estimated that FTE-related expenses would total \$464,639 in All Funds in each subsequent year. The General Revenue share of expenses is estimated to be 50 percent. Higher client participation levels might require a further increase in FTE levels.

HHSC estimates that the federal government would require an annual independent evaluation of the demonstration program. HHSC estimates an annual All Funds cost of \$21,000. The General Revenue share of expenses is estimated to be 50 percent.

Pursuant to the stated expiration date of the bill, it is assumed that the demonstration program would end by August 31, 2007 (the end of state fiscal year 2007.) Therefore, no expenditures are assumed for fiscal year 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 324 Department of Human Services, 330 Rehabilitation Commission, 501 Department of Health, 529 Health and Human Services Commission, 655 Department of Mental Health and Mental Retardation

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