

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3483 by Delisi (Relating to certain programs operated under the medical assistance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3483, As Introduced: a negative impact of (\$370,700) 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	(\$185,788)
2005	(\$184,912)
2006	(\$183,980)
2007	(\$183,019)
2008	(\$182,030)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID</i> 758	Probable Savings from <i>FEDERAL FUNDS--</i> <i>TANF</i> 555	Probable (Cost) from <i>FEDERAL FUNDS--</i> <i>Medicaid</i> 555
2004	\$30,212	(\$216,000)	\$26,523	(\$324,000)
2005	\$31,088	(\$216,000)	\$27,929	(\$324,000)
2006	\$32,020	(\$216,000)	\$28,111	(\$324,000)
2007	\$32,981	(\$216,000)	\$28,954	(\$324,000)
2008	\$33,970	(\$216,000)	\$29,823	(\$324,000)

Fiscal Analysis

The bill would require the Health and Human Services (HHSC) to develop and implement a program of all-inclusive care for children (PACC). The bill would require HHSC or the state agency administering the PACC to have in operation one site for state fiscal year 2005. It is estimated this provision would result in a net cost. See methodology below.

The bill would direct HHSC to allocate all or part of lapsed funds into the all-inclusive care for the elderly program (PACE) to promote expansion of the program. This would direct appropriations.

Methodology

For the all inclusive care for children program (PACC), the following assumptions were made:

1. It is estimated that 11 children would qualify to participate in the PACC program in the San Antonio-Austin area. It is assumed that all 11 children are currently receiving all acute care medical services (including prescription drugs) provided through the Texas Medicaid program. Therefore, there would be no additional cost to continue these services.
2. It is assumed that of the 11 children, only one child (who resides in a nursing facility) is currently receiving long-term care Medicaid services. The provision of long-term care services to the remaining 10 children would represent an increased expenditure. The estimated monthly cost for long-term care services per medically needy child is \$4,500. General Revenue would finance approximately 40 percent of the expense, with Federal (Medicaid) Funds financing the remaining 60 percent.
3. The Department of Protective and Regulatory Services (PRS) estimates that the provision of additional Medicaid services for these children would result in an All Funds savings to the foster care system totaling \$56,735 in fiscal year 2004, \$58,380 in fiscal year 2005, \$60,131 in fiscal year 2006, \$61,953 in fiscal year 2007, and \$63,793 in fiscal year 2008. General Revenue would receive approximately 53 percent of the savings, with Federal (TANF) Funds receiving the remaining 47 percent.
4. It is assumed that the Health and Human Services Commission would receive special federal grant funding to finance development of the PACC program.

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, 530 Department of Protective and Regulatory Services

LBB Staff: JK, EB, PP