

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 30, 2003**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations and Trade

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

**IN RE: SB65** by Zaffirini (Relating to the provision of medical assistance to certain legal immigrants.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds for SB65, As Introduced:** a negative impact of (\$10,429,482) 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	(\$2,146,821)
2005	(\$8,282,661)
2006	(\$14,417,061)
2007	(\$20,554,341)
2008	(\$25,123,461)

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

<b>Fiscal Year</b>	<b>Probable (Cost) from GR MATCH FOR MEDICAID 758</b>	<b>Probable (Cost) from FEDERAL FUNDS-- Medicaid 555</b>	<b>Probable Savings from TOBACCO RECEIPTS MATCH FOR CHIP 8025</b>	<b>Probable Savings from FEDERAL FUNDS-- CHIP 555</b>
2004	(\$3,323,520)	(\$4,985,280)	\$1,176,699	\$3,025,797
2005	(\$9,459,360)	(\$14,189,040)	\$1,176,699	\$3,025,797
2006	(\$15,593,760)	(\$23,390,640)	\$1,176,699	\$3,025,797
2007	(\$21,731,040)	(\$32,596,560)	\$1,176,699	\$3,025,797
2008	(\$26,300,160)	(\$39,450,240)	\$1,176,699	\$3,025,797

**Fiscal Analysis**

The bill would direct the Health and Human Services Commission (HHSC) to provide Medicaid to qualified aliens who have resided in the United States for a period of five years after the date the person entered as a qualified alien (on or after August 22, 1996). It is estimated that this provision would result in a net increase in expenditures. An increase in Medicaid expenditures would be partially offset by reduced spending in the Children's Health Insurance Program (CHIP).

**Methodology**

It is estimated that Medicaid average monthly caseloads would increase by the following: 2,308 in fiscal year 2004, 6,569 fiscal year 2005, 10,829 for fiscal year 2006, 15,091 for fiscal year 2007,

and 18,264 for fiscal year 2008. The estimated average monthly cost per client is \$300. General Revenue would finance approximately 40 percent of the cost.

It is estimated that average monthly caseloads in the CHIP program would decrease by 3,072 for each fiscal year. The estimated savings per month per client is \$114. Roughly 28 percent of the savings would accrue to General Revenue (Tobacco Receipts Match for CHIP).

This estimate is based primarily on the Health and Human Services Commission response. Additional administrative costs (not noted above) could occur at the Department of Human Services.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JK, WP, EB, PP