

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 27, 2003

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1498 by Madla (Relating to the licensing and regulation of home and community support services agencies.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1498, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2004 | \$0 |
| 2005 | \$0 |
| 2006 | \$0 |
| 2007 | \$0 |
| 2008 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings from <i>HOME HEALTH SERVICES</i> ACCT 5018 | Probable Revenue (Loss) from <i>HOME HEALTH SERVICES</i> ACCT 5018 | Change in Number of State Employees from FY 2003 |
|-------------|--|--|---|
| 2004 | \$26,730 | (\$227,500) | (1.0) |
| 2005 | \$26,730 | (\$227,500) | (1.0) |
| 2006 | \$26,730 | (\$227,500) | (1.0) |
| 2007 | \$26,730 | (\$227,500) | (1.0) |
| 2008 | \$26,730 | (\$227,500) | (1.0) |

Fiscal Analysis

The bill would amend the Health and Safety Code relating to the licensing and regulation of home and community support services agencies. The bill would amend the definitions of certified agency and personal care services. The bill would amend the memorandum of understanding between the Board of Nurse Examiners and Department of Human Services and would modify investigations of abuse, neglect, or exploitation. The bill would exempt from licensure 1) Home and Community-based Services providers, which are overseen by the Department of Mental Health and Mental Retardation, 2) employees of consumers of community support services and 3) entities acting as a consumer's fiscal agent under Section 531.051, Government Code. Additionally, the bill would require persons exempt from licensing under Section 142.003(a)(18) to review the history of potential employees in the Employee Misconduct Registry and the Nurse Aide Registry.

The bill would become effective September 1, 2003.

Under the provisions of the bill, a loss of fee revenue is anticipated at the Department of Human Services (DHS) from not licensing parent home and community-support services agencies (HCSSA) and branches. DHS anticipates that the expenditures for associated staffing would be reduced \$26,730 per year. The cost to review potential employees in the Employee Misconduct Registry and the Nurse Aide Registry can be absorbed within current resources.

Methodology

The cost estimate assumes that the loss of fee revenue at the Department of Human Services from not licensing 240 parent home and community-support services agencies (HCSSA) and 20 branches would total \$227,500 per year (each license costs \$875). The associated reduction in full time equivalents is assumed to be 1 Administrative Tech (total of 1.0 FTEs). The reduction in costs associated with licensing is the FTE's salary and benefits, estimated to be \$26,730 per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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