

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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

**April 23, 2003**

**TO:** Honorable Teel Bivins, Chair, Senate Committee on Finance

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

**IN RE: SB1522** by Zaffirini (Relating to the continuous eligibility of children for medical assistance benefits.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1522, As Introduced: a positive impact of \$266,203,131 through the biennium ending August 31, 2005.

Estimated savings should be compared to funding levels sufficient to conform to current policies and law. Estimated savings should not be compared to agency "building block" funding requests.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$106,727,986
2005	\$159,475,145
2006	\$0
2007	\$0
2008	\$0

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

Fiscal Year	Probable Savings from <i>GR MATCH FOR MEDICAID</i> 758	Probable Savings from <i>FEDERAL FUNDS</i> 555
2004	\$106,727,986	\$161,863,545
2005	\$159,475,145	\$241,981,391
2006	\$0	\$0
2007	\$0	\$0
2008	\$0	\$0

**Fiscal Analysis**

The bill would delay implementation of 12 month continuous eligibility until no later than June 1, 2005 for certain children enrolled in Medicaid. Current law requires implementation no later than June 1, 2003. Delaying implementation would reduce the average number of children receiving acute care Medicaid services--compared to current law--through the Health and Human Services Commission (HHSC) and the Department of Health (TDH). This would result in savings noted below. The fiscal impact to the Department of Human Services, which determines Medicaid eligibility, has not been estimated at this time.

## **Methodology**

The following estimate is based upon the response of HHSC.

1. It is estimated that the average number of children served by the HHSC acute care Medicaid program would be reduced by 143,400 in fiscal year 2004 and by 199,019 in fiscal year 2005. The estimated savings per client per month is \$139.10 in fiscal year 2004 and \$150.92 in fiscal year 2005. Roughly 40 percent of the savings would accrue to General Revenue.

2. It is estimated that the average number of children served by the TDH acute care Medicaid program would be reduced by 143,400 in fiscal year 2004 and by 199,019 in fiscal year 2005. The estimated savings per client per month is \$16.98 in fiscal year 2004 and \$17.17 in fiscal year 2005. Roughly 40 percent of the savings would accrue to General Revenue.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

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