

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 23, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1615 by Ellis, Rodney (Relating to a pilot program for language interpreter services under the medical assistance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1615, As Introduced: an impact of \$0 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	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Counties--used as match for Medicaid</i>	Probable (Cost) from <i>FEDERAL FUNDS 555</i>	Change in Number of State Employees from FY 2003
2004	(\$2,553,333)	(\$3,799,853)	2.5
2005	(\$2,546,896)	(\$3,793,415)	2.5
2006	\$0	\$0	0.0
2007	\$0	\$0	0.0
2008	\$0	\$0	0.0

Fiscal Analysis

The bill would direct the Health and Human Services Commission (HHSC) to establish a pilot program to provide recipients of medical assistance (Medicaid) with oral and written language interpreter services through local governmental entities. Pilot services would be financed with money provided by participating local governmental entities and corresponding federal matching money. The commission would evaluate the pilot program and report to the 79th Legislature no later than January 1, 2005. The bill would expire September 1, 2005.

Methodology

It is assumed that local governmental entities would provide local funds (Other Funds) which would be matched with federal (Medicaid) funds for the provision of pilot program services and state

administrative activities. It is assumed that the pilot program and related activities would be implemented only to the extent that: (1) local funds are made available for these purposes, and (2) the federal government authorizes the use of Federal (Medicaid) Funds to match local funds for these purposes.

1. The Health and Human Services Commission (HHSC) estimates that client services provided to Medicaid clients through the pilot program would total \$6,232,593 in All Funds per year. It is assumed that local funds would finance approximately 40 percent of expenses, with Federal (Medicaid) Funds financing the balance.

2. It is assumed that HHSC would require an additional 2.5 Full-time-equivalents (FTEs) to establish and evaluate the pilot program; their salaries and related expenses are assumed to be financed equally through local funds and Federal (Medicaid) Funds. HHSC would hire 1.0 Administrative Technician, 0.5 Accountant, and 1.0 Program Specialist. Combined annual salaries, adjusted for the part time status of the accountant, would total \$78,042 per year. Annual employee benefits would total \$22,211 per year. Other FTE-related expenses would total \$7,465 per year. A one-time equipment cost of \$12,875 would occur in fiscal year 2004.

3. Pursuant to the stated expiration date of the bill, it is assumed that pilot program activities and related FTE expenses would end by September 1, 2005.

Local Government Impact

It is assumed that local governmental entities would provide local funds to be matched with federal (Medicaid) funds for the provision of pilot program services and state administrative activities. The Health and Human Services Commission could contract with local governmental entities to provide pilot program client services.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JK, KG, EB, PP