

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 29, 2003

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1862 by Bivins (Relating to health and human services.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB1862, As Passed 2nd House: a positive impact of \$405,736,011 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 Initial General Revenue/Building Block requests.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$162,188,170
2005	\$243,547,841
2006	\$77,261,195
2007	\$90,437,058
2008	\$105,899,556

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from <i>GENERAL REVENUE</i> <i>FUND</i> <i>1</i>	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> <i>1</i>	Probable Revenue Gain from <i>QUALITY</i> <i>ASSURANCE</i> <i>5080</i>	Probable (Cost) from <i>QUALITY</i> <i>ASSURANCE</i> <i>5080</i>
2004	\$162,770,446	(\$582,276)	\$27,313,652	(\$10,870,833)
2005	\$244,092,852	(\$545,011)	\$27,314,084	(\$10,865,543)
2006	\$77,806,206	(\$545,011)	\$27,314,084	(\$10,865,543)
2007	\$90,982,069	(\$545,011)	\$27,314,084	(\$10,865,543)
2008	\$106,444,567	(\$545,011)	\$27,314,084	(\$10,865,543)

Fiscal Year	Probable Savings/ (Cost) from <i>FEDERAL FUNDS</i> <i>555</i>
2004	\$336,815,026
2005	\$531,991,887
2006	\$103,239,880
2007	\$123,364,111
2008	\$146,861,187

Fiscal Analysis

The bill would make a number of changes to the provision of health and human services. Sections with fiscal implications are noted under methodology.

Methodology

The following estimate is based primarily on a consolidated response from the Health and Human Services Commission (HHSC) that analyzes the fiscal impact to all health and human services agencies except the Cancer Council.

Section 1 (Quality Assurance Fee) is estimated to result in a positive net impact to the quality assurance fund of \$16.4 million, including a gain to the fund of \$27.3 million and a cost to the fund of \$10.9 million, for each year beginning in FY 2004.

Section reducing the TANF income disregard is estimated to result in All Funds savings of: \$3.3 million in FY 2004, \$6.9 million in FY 2005, \$7.9 million in FY 2006, \$8.8 million in FY 2007, and \$9.7 million in FY 2008. These amounts include a GR cost of \$11,286 in FY 2004 and GR savings of: \$0.9 million in FY 2004, \$1.9 million in FY 2005, \$2.1 million in FY 2006, \$2.4 million in FY 2007, and \$2.7 million in FY 2008.

Section delaying 12-month continuous Medicaid eligibility for children until September 1, 2005 is estimated to result in All Funds savings of \$374.9 million in FY 2004 and \$623.7 million in FY 2005. These amounts include GR savings of \$106.7 million in FY 2004 and \$177.5 million in FY 2005.

Section allowing use of third party information to verify assets for Medicaid eligibility is estimated to result in a net positive impact to All Funds of: \$137.3 million in FY 2004, \$161.4 million in FY 2005, \$189.0 million in FY 2006, \$221.4 million in FY 2007, and \$259.5 million in FY 2008. These amounts include a GR cost of \$0.6 million in FY 2004 and \$0.5 million in each subsequent year, as well as GR savings of: \$55.2 million in FY 2004, \$64.7 million in FY 2005, \$75.7 million in FY 2006, \$88.6 million in FY 2007, and \$103.7 million in FY 2008.

Local Government Impact

According to HHSC, there could be implications to units of local government operating as Medicaid providers as clients may no longer have coverage under these programs

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JK, JO, SD, LR