

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 14, 2005**

**TO:** Honorable Helen Giddings, Chair, House Committee on Business & Industry

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB69** by McClendon (Relating to the imposition of a lien on property to recover certain medical assistance.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill would repeal section 531.077, Government Code, which would result in the elimination of the Medical Assistance Estate Recovery Program. The estate recovery program is designed to recover the costs of Medicaid coverage for certain long-term care services after the death of Medicaid recipients aged 55 years or older.

The Health and Human Services Commission website states that the Texas estate recovery program is currently projected to be implemented not before March 1, 2005. Only Medicaid recipients receiving long-term care on or after the program's implementation date of March 1, 2005, would be subject to the program's requirements. Since no revenues have been collected to date, eliminating the program would not result in a loss of revenue compared to the previous biennium.

The Department of Aging and Disability Services states that possible federal penalties for failure to comply with federal law requiring states to implement estate recovery were not assumed or addressed in the agency analysis of the possible fiscal impact of the elimination of the estate recovery program.

**Local Government Impact**

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

**Source Agencies:** 529 Health and Human Services Commission, 539 Department of Aging and Disability Services

**LBB Staff:** JOB, JRO, KF