

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 25, 2005

TO: Honorable Suzanna Gratia Hupp, Chair, House Committee on Human Services

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

IN RE: HB691 by Villarreal (Relating to a Medicaid health literacy pilot program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB691, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Approp Receipts-Match for Medicaid</i> 8062	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2006	(\$293,372)	(\$293,373)
2007	(\$293,372)	(\$293,373)
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

Fiscal Analysis

The bill would require the Health and Human Services Commission to develop and implement a health literacy pilot program in Bexar County for Medicaid recipients with young children. A statistically significant test and control group would be required. The materials to be provided would include health information materials in English and Spanish and training would be provided to participants. HHSC would be required to establish the pilot program through a local governmental entity in Bexar County choosing to participate and to finance the pilot using local money and matching federal funds. The section added by the bill would expire September 1, 2009.

Methodology

Participation in the test group is assumed to include 37,767 households, or 25 percent of the Medicaid participating households in Bexar county with children under ten years. It is assumed that components of the cost to complete the program would include: approximately \$100,000 for actuarial services in

comparing health care costs of the control and pilot test group, approximately \$50,000 for development of health information materials, and printing, postage, and training costs for the test group totaling \$1,023,490. The program would be operated during six months of fiscal year 2006 and six months of 2007. The Appropriated Receipts Match for Medicaid shown in the table are assumed to be transfers from the local governmental entity. It is assumed that federal matching funds would be available for this pilot at a 50/50 match rate.

Local Government Impact

The fiscal impact to a local governmental entity choosing to participate in the pilot program is noted in the table above. The bill specifies that HHSC shall request participation by the Bexar County Hospital District but such participation is not required by the bill.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, KF