

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 14, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB691, As Introduced: a negative impact of (\$586,744) through the biennium ending August 31, 2007.

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
2006	(\$293,372)
2007	(\$293,372)
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GR MATCH FOR MEDICAID</i> 758	Probable Savings/(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. The pilot program would operate for one year. 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.

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. It is assumed that federal matching funds would be available for this pilot at a 50/50 match rate.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, KF