

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

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

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

IN RE: HB711 by Naishtat (Relating to the eligibility of certain financial assistance recipients for medical assistance.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB711, As Introduced: a negative impact of (\$11,476,366) 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	(\$5,580,707)
2007	(\$5,895,659)
2008	(\$6,284,981)
2009	(\$6,702,796)
2010	(\$7,148,387)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable (Cost) from <i>GR MATCH FOOD STAMP ADM 8014</i>	Probable (Cost) from <i>FEDERAL FUNDS 555</i>
2006	(\$5,547,386)	(\$3,704)	(\$29,617)	(\$8,583,589)
2007	(\$5,895,659)	\$0	\$0	(\$9,018,733)
2008	(\$6,284,981)	\$0	\$0	(\$9,606,248)
2009	(\$6,702,796)	\$0	\$0	(\$10,244,855)
2010	(\$7,148,387)	\$0	\$0	(\$10,925,916)

Fiscal Analysis

The bill would prohibit the Health and Human Services Commission (HHSC) from denying medical assistance (Medicaid) to a person who is eligible for financial assistance under the Temporary Assistance for Needy Families (TANF) but not receiving financial assistance as a result of the person's failure to cooperate with the Personal Responsibility Agreement.

Methodology

It is assumed that there would be an increase in TANF Medicaid caseloads in association with the implementation of the provisions of this bill. HHSC projects an increase of 1 percent in TANF Adult caseloads each year as a result of implementation of the bill. The additional recipient months would be 4,034 in 2006, 4,071 in 2007, 4,107 in 2008, 4,144 in 2009, and 4,182 in 2010.

It is assumed that federal matching funds would be available at the client services rate. The General Revenue share is assumed to be 39.32 in 2006, 39.53 in 2007, and 39.55 for 2008 through 2010.

Technology

HHSC projects a one-time cost for modifications to the eligibility systems of \$154,980.

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