

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

IN RE: HB1135 by Delisi (Relating to a Medicaid buy-in program for employed persons with disabilities.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1135, Committee Report 1st House, Substituted: a negative impact of (\$12,497,525) 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	(\$4,151,062)
2007	(\$8,346,463)
2008	(\$10,438,357)
2009	(\$10,438,357)
2010	(\$10,438,357)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable Savings/(Cost) from <i>FEDERAL FUNDS 555</i>	Probable Savings/(Cost) from <i>APPROPRIATED RECEIPTS 666</i>
2006	(\$4,151,062)	(\$6,406,064)	(\$3,940,046)
2007	(\$8,346,463)	(\$12,767,787)	(\$9,850,116)
2008	(\$10,438,357)	(\$15,954,455)	(\$9,850,116)
2009	(\$10,438,357)	(\$15,954,455)	(\$9,850,116)
2010	(\$10,438,357)	(\$15,954,455)	(\$9,850,116)

Fiscal Analysis

The bill would require the commissioner of the Health and Human Services Commission to develop and implement a Medicaid buy-in program for persons with disabilities. The Health and Human Services Commission (HHSC) assumes that the program would allow working persons with disabilities to earn up to 250 percent of the Federal Poverty Level (based on an income with resource disregards) and still participate in the program. Cost sharing in the program would be based upon income.

Methodology

HHSC assumes that a total of 3,397 persons would ultimately participate in the program. It is assumed that there would be 40 percent participation in fiscal year 2006 and 80 percent in 2007, with participation reaching 100 percent by fiscal year 2008. HHSC assumes that the average medical cost of participants would be \$13,077 per year. Forty-eight percent of participants would have income to participate in cost sharing and would participate with an average cost-share of \$6,054 per year.

It is assumed that cost sharing revenues would be deposited into the state treasury (shown in the table as Appropriated Receipts), utilized to support the program, and would offset state and federal shares proportionally.

Once this option is added to the state Medicaid program, the group becomes a new categorically eligible Medicaid group and the state may not limit participation in the program except by specifying income, resources, and cost sharing requirements within parameters specified by the federal government.

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