

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 10, 2005

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

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

IN RE: HB1396 by Zedler (Relating to a pilot program for language interpreter services under the medical assistance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1396, As Introduced: an impact of \$0 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	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>APPROPRIATED RECEIPTS</i> 666	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2006	(\$3,320,936)	(\$4,924,676)
2007	(\$3,271,281)	(\$5,004,159)
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

Fiscal Analysis

The bill would require the Health and Human Services Commission to establish a pilot program to provide recipients of medical assistance with oral and written language interpreter services. The bill would direct the Commission to establish the pilot program with priority given to certain local government entities. The Commission would be required to ensure that financing for the pilot would be provided by participating local entities and matching federal funds. The bill would require an evaluation and report to the 80th Legislature. Provisions of the bill would expire September 1, 2007.

Methodology

The Health and Human Services Commission (HHSC) estimates that 24 percent of Medicaid recipients do not use English as a first language or at all. It is assumed that the local government entities identified as priority locations for the pilot in the bill (Harris County Hospital District, Bexar County Hospital District, El Paso County Hospital District, Tarrant County Hospital District, and Parkland Health and Hospital System) would choose to participate and contribute the non-federal share of funds necessary for the pilot. It is assumed that Medicaid would pay \$75.00 per hour for interpreter services. It is assumed that participating recipients would be 33,370 in 2006 and 36,780 in 2007 and that participating recipients would receive an average of 3 hours of service per year. HHSC assumes that the Medicaid claims administrator would charge a one-time cost of \$737,466 to modify systems.

Local Government Impact

It is assumed that local governments choosing to participate would do so after evaluating the cost-benefit of participating in the pilot program. To the extent that local governments are currently financing language interpreter services through local tax revenues, the provisions of the bill could result in a savings to local governments due to the drawing down of federal matching dollars in the pilot. The Appropriated Receipts noted in the table would be assumed to be transferred to the state through intergovernmental transfer by local governmental entities.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, KF