

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 17, 2005**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

**IN RE: HB1502** by Davis, John (Relating to payment for medical assistance provided to an individual who is dually eligible for Medicaid and Medicare.), **As Engrossed**

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| <p><b>No significant fiscal implication to the State is anticipated.</b></p> |
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According to the Health and Human Services Commission, this bill would repeal Section 32.050(f) of the Texas Human Resources Code which reads as follows: "If the Medicare reimbursement rate for a service provided to an individual identified under Subsection (a) exceeds the medical assistance reimbursement rate for a comparable service, the medical assistance program may not pay a Medicare coinsurance or deductible amount for that service." According to HHSC, there would be no significant fiscal implications associated with the implementation of the provisions of the bill, assuming the following: 1) the bill would require changes to the Medicaid claims payment contract, but the estimated cost of the changes is considered not significant for purposes of this cost estimate, 2) it is assumed that passage of the bill would not prevent the Medicaid Vendor Drug Program (VDP) from continuing to enforce Medicare as the primary payer for select Immunosuppressant drug products, and 3) it is assumed that there will be no change to the VDP Electronic Claim Management System.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, KF