

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 20, 2005

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

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

IN RE: HB3235 by Uresti (Relating to providing interpreter services to certain recipients of medical assistance or their parents or guardians.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3235, Committee Report 2nd House, Substituted: a negative impact of (\$618,136) 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	(\$487,042)
2007	(\$131,094)
2008	(\$141,277)
2009	(\$152,323)
2010	(\$164,200)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GR MATCH FOR MEDICAID 758	Probable (Cost) from FEDERAL FUNDS 555
2006	(\$487,042)	(\$551,312)
2007	(\$131,094)	(\$200,538)
2008	(\$141,277)	(\$215,933)
2009	(\$152,323)	(\$232,817)
2010	(\$164,200)	(\$250,970)

The bill would amend section 32.024 of the Human Resources Code to add a new provider type to the Medicaid program for deaf and/or hard of hearing interpreter services. The Health and Human Services Commission, subject to the availability of funds, would be required to provide interpreters during the receipt of medical assistance services (Medicaid) to a person who is deaf or hard of hearing or for the parent or guardian of a person receiving medical assistance services, if the parent or guardian is deaf or hard of hearing.

It is assumed that Commission would provide payment for these services.

This bill would take effect September 1, 2005.

Fiscal Analysis

It is assumed that the Health and Human Services Commission (HHSC) would reimburse interpreters under the provisions of the bill. HHSC assumes the cost of providing interpreters for the deaf is \$618,136 in General Revenue for the biennium and that the hard of hearing would not contribute to a significant cost.

Methodology

HHSC assumes (on the advice of the Department of Assistive and Rehabilitative Services) that 8.8% of the population is deaf or hard of hearing and of those, 2.5% are deaf. Therefore, based on HHSC's projected Medicaid caseload, the number of deaf patients assumed is 7,164 in fiscal year 2006, 7,896 in fiscal year 2007, 8,505 in fiscal year 2008, 9,170 in fiscal year 2009 and 9,885 in fiscal year 2010. HHSC assumes an average of 1.2 claims per year per person, at a cost of \$35 each. This cost is assumed to be matched by the federal government at 60.68% in fiscal year 2006, 60.47% in fiscal year 2007, and 60.45% in fiscal years 2008-2010.

In addition, HHSC states that the claims administrator and the Affiliated Computer Systems would require system changes to set-up procedure codes, make edits to systems such as Compass 21 Claims engine, reference files, Vision 21 Phoenix and TDH connect, and reflect the estimated claims volume increase. HHSC estimates a cost of \$737,466 in fiscal year 2006 only, which is matched at 50% by the federal government.

Technology

The claims administrator, ACS, would require system changes that result in an estimated cost of \$737,466 in fiscal year 2006 only. This expenditure is assumed to be matched by the federal government at 50%.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, KF, CL, PP, MB