

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 23, 2005

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

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

IN RE: SB194 by Nelson (Relating to local delivery of aging, disability, behavioral health, and mental retardation services.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Executive Commissioner of the Health and Human Services Commission (HHSC) to establish a system for aging and disability and behavioral health services that would be coordinated by local service authorities. The Department of Aging and Disability Services (DADS) and the Department of State Health Services (DSHS) would contract with local aging and disability and behavioral health authorities to ensure local service provision. The impact on DSHS and DADS could depend on the extent of the changes in contracts, providers, and service regions resulting from the bill. It is assumed that DSHS and DADS would only contract for services that could be funded within appropriated funding levels.

The bill could result in automation costs to DSHS, DADS, and/or HHSC. The bill would require the Executive Commissioner to ensure that local authorities conduct financial eligibility assessments according to the commission's eligibility system. The Health and Human Services Commission indicates that there would be costs to make automated eligibility determination systems available to local authorities. According to DADS, automation costs could also result from updating existing systems to reflect the new service delivery system.

Local Government Impact

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

The bill would require local service authorities to coordinate services, maintain a network of service providers, and perform other planning functions. The bill would prohibit local service authorities from providing client services directly. Some of these functions are currently provided at the local level by mental health and mental retardation authorities and Area Agencies on Aging, among other entities. It is assumed existing funding for these services would be available to local aging and disability authorities and behavioral health authorities and that these authorities would provide services only to the extent that funding is available. The bill could potentially result in the reallocation of funding between existing local authorities and new local authorities. The bill would require a transition plan to manage the replacement of existing authorities with new aging and disability authorities and behavioral health authorities.

Source Agencies: 529 Health and Human Services Commission, 537 Department of State Health Services, 539 Department of Aging and Disability Services

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