

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 1, 2005

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

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

IN RE: SB199 by Gallegos (Relating to the personal needs allowance for certain Medicaid recipients who are residents of long-term care facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB199, As Introduced: a negative impact of (\$25,783,568) 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	(\$12,893,318)
2007	(\$12,890,250)
2008	(\$12,890,250)
2009	(\$12,890,250)
2010	(\$12,890,250)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/(Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable Savings/(Cost) from <i>FEDERAL FUNDS 555</i>
2006	(\$4,507,200)	(\$8,386,118)	(\$12,911,722)
2007	(\$4,507,200)	(\$8,383,050)	(\$12,813,030)
2008	(\$4,507,200)	(\$8,383,050)	(\$12,813,030)
2009	(\$4,507,200)	(\$8,383,050)	(\$12,813,030)
2010	(\$4,507,200)	(\$8,383,050)	(\$12,813,030)

Fiscal Analysis

The bill would amend Section 32.024 (w), Human Resources Code and require the Department of Aging and Disability Services (DADS) to set a personal needs allowance of not less than \$75 per month (currently \$45 per month) for a resident of a convalescent or nursing home or related institution licensed under Chapter 242, Health and Safety Code, personal care facility, ICF-MR facility, or other similar long-term care facility who receives medical assistance.

Methodology

The agency based their estimate on the estimated number of clients that are eligible for the personal needs allowance increase. Clients were subdivided into two categories, pure state and Medicaid eligible.

The Department of Aging and Disability Services estimated the eligible clients for the pure state impact to be 12,520 and the cost to be approximately \$4.5 million per fiscal year. The agency estimated the Medicaid clients to be 58,964 in fiscal year 2006 and 58,578 for fiscal years 2007-2010. The Medicaid matchable population represents the non-SI Medicaid institutional population, which includes Nursing Facility clients as well as Community Intermediate Care Facility / Mental Retardation (ICF/MRs) and ICF/MRs in State Schools. The agency based the Medicaid client decrease on nursing facility population projections that are currently showing a slight decrease for fiscal years 2007 through 2010. The agency estimated the Medicaid eligible impact to be approximately \$21.2 million per year, with the federal match rate based on 60.66 percent Federal Medical Assistance Percentage (FMAP) rate for FY 2006, and 60.45 percent FMAP for subsequent years.

Technology

The Department of Aging and Disability Services estimates that there would be a one time technology impact of \$70,800 in FY 2006.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, CL, ML, PP