

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 14, 2005

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

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

IN RE: SB626 by Zaffirini (Relating to medical assistance in certain alternative community-based care settings.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB626, As Introduced: a negative impact of (\$3,289,327) 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	(\$1,630,490)
2007	(\$1,658,837)
2008	(\$1,668,409)
2009	(\$1,668,409)
2010	(\$1,168,409)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GR MATCH FOR MEDICAID 758	Probable (Cost) from FEDERAL FUNDS 555
2006	(\$1,630,490)	(\$2,516,230)
2007	(\$1,658,837)	(\$2,537,563)
2008	(\$1,668,409)	(\$2,550,071)
2009	(\$1,668,409)	(\$2,550,071)
2010	(\$1,168,409)	(\$2,550,071)

Fiscal Analysis

The bill would allow the Department of Aging and Disability Services (DADS) to continue to serve clients in medical assistance waiver programs even if the cost of providing those services exceeds the individual cost limit specified in the waiver program under certain conditions. The first, for persons enrolled as of September 1, 2005, is that continuation is contingent upon those services being necessary for the client to live in the most integrated setting and continuation does not affect aggregate (federal waiver program) cost-effectiveness and efficiency requirements. For persons who are admitted into services September 1, 2005 or later, Section (d) states that services may be continued if costs do not exceed 133.3 percent of the waiver's individual cost cap and continuation of those services does not affect (federal waiver program) aggregate cost-effectiveness and efficiency requirements. The Health and Human Services Commission may write rules that allow for a Commissioner's waiver if a person exceeds 133.3 percent of the cost cap if providing comparable

services at the appropriate institution would impose an undue hardship on the person.

Methodology

According to DADS, the bill would apply a standard for cost effectiveness of waivers to all agency programs that previously had been applied by rider in the General Appropriations Act to waivers operated by the Department of Human Services. DADS projects that some clients in the Home and Community Based Services (HCS) waiver with costs above the current standard for MR waivers of 125 percent would participate in the waiver at higher costs under the provisions of this bill. This would be 95 persons in fiscal year 2006, 104 persons in 2007, and 108 persons subsequently at an average net additional annual cost of \$5,520 per client. Some persons participating in the Texas Home Living Waiver would require residential level of services not currently available in the Texas Home Living Waiver but could participate in HCS. This is assumed to be 28 clients per year at an average annual cost of \$49,140 per client. Other clients in the Texas Home Living Waiver would experience a higher cost than currently authorized under the waiver. This is assumed to be 600 clients per year at an average annual cost of \$3,744 per client.

Local Government Impact

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

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

LBB Staff: JOB, CL, KF