

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION
Revision 1

May 19, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

IN RE: SB747 by Carona (Relating to establishing a demonstration project for women's health care services.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB747, As Engrossed: a positive impact of \$20,318,995 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	(\$2,819,105)
2007	\$23,138,100
2008	\$23,513,205
2009	\$23,886,239
2010	\$24,281,250

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID</i> 758	Probable Savings from <i>GR MATCH FOR</i> <i>MEDICAID</i> 758	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Probable Savings from <i>FEDERAL FUNDS</i> 555
2006	(\$2,819,105)	\$0	(\$13,737,804)	\$0
2007	(\$2,604,908)	\$25,743,008	(\$13,675,769)	\$39,379,704
2008	(\$2,645,649)	\$26,158,854	(\$13,889,657)	\$39,982,370
2009	(\$2,687,622)	\$26,573,861	(\$14,110,015)	\$40,616,686
2010	(\$2,732,068)	\$27,013,318	(\$14,343,355)	\$41,288,371

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to develop a five-year demonstration project in the state Medical Assistance (Medicaid) program relating to preventive health and family planning.

The bill would require HHSC to establish a five-year demonstration project through the medical assistance program to expand access to preventive health and family planning services for women. Women eligible under Subsection (b) to participate in the demonstration project may receive appropriate preventive health and family planning services, including: medical history recording and evaluation; physical exams; health screenings, including diabetes and certain cancers; counseling and

education on contraceptive methods, except regarding emergency contraception; provision of contraceptives, except for emergency contraceptives; risk assessment; and referral of medical problems. The bill would prohibit the referral of patients to providers who perform elective abortions or that are affiliated with entities that perform elective abortions.

The bill would state that a woman is eligible to participate in the project if she is at least 18 years old; has a net family income at or below 185% FPL; participates in or receives benefits under HHS programs, i.e, Medicaid, Food Stamps, TANF, and WIC; is presumed eligible for one of the above programs; or is a member of a family that contains at least one person who participates in or receives benefits under one of these programs.

The bill would require the department to submit a report to the legislature regarding the progress in establishing and operating the project, no later than December 1 of each even-numbered year.

The bill would require that the department ensure that money spent under the project is not used for abortions or to contract with providers who perform abortions, or providers affiliated with entities that perform abortions.

The effective date is September 1, 2005.

Methodology

HHSC states the waiver application process would take roughly six months, so the project would begin February 1, 2006. HHSC assumes that the requirement prohibiting contracts with abortion providers would limit the eligible provider base and therefore, the number of women who could be served in the waiver.

Cost for family planning services: HHSC's cost estimate assumes that 2 million women per year would be eligible for the waiver and that 1/3 would enter the waiver. The population is further adjusted for a fertility rate of 8 percent and utilization of services of 50 percent. The potential clients are adjusted by 37 percent for the assumed decreased access due to limitation of the eligible provider base. A blended matching rate of 84 percent federal/16 percent state is assumed for services.

Savings from averted Medicaid costs: HHSC's analysis states that the above cost is offset by the savings that result from the averted cost of Medicaid-funded births. Due to the time needed to develop and approve a waiver and to account for gestational time for savings due to an averted birth, no averted births are assumed in FY 2006. Delivery and newborn costs averted are assumed to average \$8,448 per year. Medicaid services receive a 60% federal match.

Technology

There is no significant impact to the agency's information technology.

Local Government Impact

The expansion of Medicaid-funded services could benefit local health districts and hospitals.

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

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