

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 22, 2005

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

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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB747, As Introduced: a positive impact of \$135,207,202 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	\$44,403,928
2007	\$90,803,274
2008	\$92,490,636
2009	\$94,173,184
2010	\$95,954,705

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	(\$8,131,500)	\$52,535,428	(\$73,183,500)	\$81,074,511
2007	(\$16,524,000)	\$107,327,274	(\$148,716,000)	\$164,181,134
2008	(\$16,821,000)	\$109,311,636	(\$151,389,000)	\$167,076,825
2009	(\$17,127,000)	\$111,300,184	(\$154,143,000)	\$170,116,211
2010	(\$17,451,000)	\$113,405,705	(\$157,059,000)	\$173,334,384

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; provision of contraceptives; risk assessment; and referral of

medical problems.

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.

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.

Cost for family planning services: The cost estimate assumes that over 1.8 million women per year would be eligible for the waiver, with roughly 500,000 women enrolled and participating during each year. The number of eligible women is adjusted by the number of women estimated to receive family planning services at the Department of State Health Services (DSHS). The cost per client is estimated to be \$360 per year. The FY 2006 cost is phased in, for a cost of \$81.3 million in All Funds. Family Planning services receive a 90% federal match.

Savings from averted Medicaid costs: The above cost is offset by the savings that result from the averted cost of Medicaid-funded births, which are estimated to be 15,814 in fiscal year 2006. This figure results from the 1.8 million estimated caseload, times a 7.61 fertility rate, times 50% for the number of potential eligibles who will enroll in the waiver, times 50% for the number of these women who participate in family planning services, times 92%, which is the assumed average effective rate of contraception. The cost of delivery and newborn care is estimated to be \$8,448 in each year. The FY 2006 savings are phased in, for a savings of \$133.6 million in All Funds. 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

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