

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 18, 2005

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

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

IN RE: SB1830 by Zaffirini (Relating to the continuation of the quality assurance fee applicable to intermediate care facilities for persons with mental retardation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1830, As Introduced: an impact of \$0 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.

The bill would repeal Section 252.209 of the Health and Safety Code, which requires the 79th Legislature to review the operation and effectiveness of the subchapter relating to the application of a quality assurance fee on intermediate care facilities for persons with mental retardation (ICF-MR). Under current law, the quality assurance fee expires September 1, 2005, unless continued by the 79th Legislature. The repeal of this section would continue the assessment of the quality assurance fee.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from QUALITY ASSURANCE 5080
2006	\$54,368,000
2007	\$54,393,000
2008	\$54,393,000
2009	\$54,393,000
2010	\$54,393,000

Fiscal Analysis

The bill would repeal the expiration of the assessment of the quality assurance fee to ICF-MRs. This repeal would result in the continuation of the collection of revenue in General Revenue-Dedicated Account 5080 - Quality Assurance.

The bill would implement a recommendation in the Legislative Budget Board's *Staff Performance*

Report, State Government Efficiency and Operations Submitted to the 79th Legislature.
Recommendation number 1 in the Expand the Use of the Long-Term Care Quality Assurance Fee report which proposes continuation of the quality assurance fee currently levied on ICF-MRs.

Methodology

The Comptroller of Public Accounts' (comptroller) estimate of revenues for General Revenue-Dedicated Account 5080 - Quality Assurance for the 2006-07 biennium were obtained from the Department of Aging and Disability Services' (DADS) legislative appropriations request. The comptroller's revenue estimates for fiscal years 2008 through 2010 were based on fiscal year 2007 figures. The comptroller's estimate does not appear to include interest earned on collected revenue.

DADS estimates that certain exceptional items which are included in the General Appropriations Bill as passed by the House would increase revenues in the 2006-07 biennium by approximately \$2,656,000.

The continuation of the quality assurance fee on ICF-MRs is assumed in the current General Appropriations Bill, as passed by both the House and Senate. Funds are appropriated from the account to DADS for ICF-MRs and state schools, contingent upon passage of legislation that would continue the assessment. Expenditure of these funds for appropriated purposes would draw matching federal funds in accordance with the Federal Medical Assistance Percentage rate.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 539 Department of Aging and Disability Services

LBB Staff: JOB, CL, PP, JJ