

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 15, 2007

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

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

IN RE: HB2540 by Isett, Carl (Relating to implementing a pilot project to simplify, streamline, and reduce costs associated with the Medicaid cost reporting and auditing process for certain providers.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require the Health and Human Services Commission (HHSC) to develop and implement a pilot project to streamline and reduce the cost associated with the cost reporting and auditing process for private Intermediate Care Facilities for persons with Mental Retardation (ICF-MR) and home and community-based services providers. The commission would be required to submit a report by September 1, 2012 to the Legislature evaluating the pilot and making recommendations.

The bill requires a work group to assist in developing the new cost report forms, monitoring and reporting. It would allow affected providers to submit cost reports every other year. It requires the executive commissioner of HHSC to revise rules regarding the reimbursement of providers to implement the pilot project. The bill would allow a state agency to request a waiver before complying with these provisions.

It is assumed that HHSC could implement the provisions of the bill using existing resources. HHSC states that the waiver process may delay implementing the proposed changes.

The bill would take effect September 1, 2007.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, PP, SJ, MB