

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 12, 2007

TO: Honorable Jerry Madden, Chair, House Committee on Corrections

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

IN RE: HB2611 by Madden (Relating to the eligibility of certain inmates of the Texas Department of Criminal Justice for medically recommended intensive supervision.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2611, As Introduced: a positive impact of \$1,150,675 through the biennium ending August 31, 2009.

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
2008	\$541,048
2009	\$609,627
2010	\$553,636
2011	\$562,705
2012	\$572,445

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from FEDERAL FUNDS 555
2008	\$541,048	(\$344,834)
2009	\$609,627	(\$343,156)
2010	\$553,636	(\$343,156)
2011	\$562,705	(\$343,156)
2012	\$572,445	(\$343,156)

Fiscal Analysis

The bill would amend the Medically Recommended Intensive Supervision (MRIS) section of the Government Code by allowing for offenders required to register as sex offenders to be released on medically recommended intensive supervision. The provision would apply to a Texas Department of Criminal Justice (TDCJ) inmate who has a medical condition of terminal illness or long-term care. The bill would take effect September 1, 2007.

Methodology

Sex offenders are currently prohibited from MRIS consideration. It is estimated that approximately 12 terminally ill sex offenders would be eligible for MRIS consideration annually under the provisions of the bill. This estimate is based on the average number of terminally ill sex offenders referred for MRIS

consideration prior to the adoption of legislation that excluded sex offenders from MRIS consideration. In a previous study by TDCJ's Correctional Managed Health Care it was reported that the most seriously ill offenders were hospitalized for an average of 107 days. The average cost for this care was \$1,020 per day.

Cost savings are based on the assumption that TDCJ would avoid one year of medical treatment costs for the sex offenders released on MRIS. This cost avoidance would include 54 days of hospitalization (half the number of hospital days of a seriously ill offender) plus 311 days of daily outpatient care per inmate. The savings estimate also assumes that these offenders would be eligible for Medicaid and Medicare if released on MRIS. The projected federal government portion of nursing home costs for Medicaid beneficiaries is 60.55 percent, and the state's portion is 39.45 percent for state fiscal year 2008. For fiscal years 2009 to 2012, the projected federal government portion for nursing home costs is 60.04 percent, and the state's portion is 39.96 percent. The average daily costs for nursing home care is \$105.43. The Medicare Premiums and Acute Care costs are estimated at \$689.28 per month for fiscal years 2008 to 2012 and the Prescription Drug (Clawback) cost is estimated at \$72.96 per month for fiscal years 2008 to 2012. Cost savings reflected in this analysis indicate savings from the reduction of expenditures by TDCJ Correctional Managed Health Care for the released offenders' health care which would range from \$765,717 to \$838,017 per fiscal year. The increase in expenditures by the Texas Department of Aging and Disability Services (DADS) to pay the state's share of Medicaid for the released offenders would range from \$224,669 to \$228,390 per fiscal year. Federal Fund expenditures would increase to pay for the federal government's share of nursing home costs.

After five years of cumulative impact, fiscal implications would continue as long as the provisions of the bill are implemented.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 696 Department of Criminal Justice

LBB Staff: JOB, ES, KJG, VDS, GG