

**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: HB3575** by Rose (Relating to the monitoring and enhancement of health and human services information technology systems.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3575, As Engrossed: a negative impact of (\$2,289,034) 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	(\$1,144,517)
2009	(\$1,144,517)
2010	(\$1,144,517)
2011	(\$1,144,517)
2012	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> <b>1</b>	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID</i> <b>758</b>	Probable (Cost) from <i>GR MATCH FOOD</i> <i>STAMP ADM</i> <b>8014</b>	Probable (Cost) from <i>FEDERAL FUNDS</i> <b>555</b>
2008	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2009	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2010	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2011	(\$32,675)	(\$609,428)	(\$502,414)	(\$1,184,387)
2012	\$0	\$0	\$0	\$0

**Fiscal Analysis**

The bill would amend Chapter 531 of the Government Code by adding Subchapter M which sets out goals for the enhanced eligibility system; requires the Health and Human Services Commission (HHSC) to develop an eligibility transition plan; directs the HHSC Office of Inspector General (OIG) to establish an independent validation and verification program for the eligibility system; directs the quality assurance team to establish a periodic monitoring schedule for the eligibility system; requires HHSC to identify the enhanced eligibility system as a major information resource project; creates a health and human services eligibility system legislative oversight committee; and sets the expiration of the subchapter as September 1, 2011.

The bill would take effect immediately upon two-thirds vote of both houses, or would take effect

September 1, 2007.

The fiscal impact of the bill results from the estimated cost for the independent validation and verification contract that OIG may require.

### **Methodology**

The current validation and verification contract has specific purposes and uses, and therefore the agency does not assume it can be modified to suit the purposes of the bill. HHSC assumes that OIG would require a new contract and that it would cost approximately the same as the cost of the current contract, which is approximately \$1.1 million in General Revenue and \$1.2 million in Federal Funds per year (including federal Medicaid, TANF and Food Stamp funds).

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

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