

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 19, 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.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 531, Government Code, by adding Subchapter M which sets out goals for an enhanced eligibility system; requires the Health and Human Services Commission (HHSC) to develop an eligibility transition plan by October 15, 2007 to achieve the goals set out in the bill for the enhanced eligibility system by January 2009; directs the State Auditors Office, in consultation with the Department of Information Resources, to establish an independent validation and verification program for the eligibility system during the period of the transition plan, while coordinating and consulting with HHSC and HHSC Office of Inspector General.

The bill would require HHSC to identify the enhanced eligibility system as a major information resources project; creates a health and human services eligibility system legislative oversight committee, specifying purpose, membership, and duties with a report due on December 1, 2008; and sets the expiration of the subchapter as September 1, 2011.

The bill would direct the appointment of oversight committee members by September 1, 2007 and directs the oversight committee to hold its first hearing by October 15, 2007.

The bill would take effect immediately upon two-thirds vote of both houses, or would take effect September 1, 2007.

The State Auditor estimates a cost of \$772,800 to conduct the audits required, which the agency states can be absorbed. In addition, HHSC assumes that SAO would bill HHSC for the cost of the contract, in which case it is possible that federal matching funds may be received to offset some of the cost. HHSC assumes an approximately 50 percent federal matching rate, subject to change with cost allocation program changes.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 308 State Auditor's Office, 529 Health and Human Services Commission

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