

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 8, 2007**

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

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

**IN RE: SB318** by Deuell (Relating to Medicaid incentive payments for direct nursing care provided by nursing homes.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Section 32.028 (g) and (i) of the Human Resources Code. The bill would require the Health and Human Services Commission (HHSC) to provide a program offering incentives for increasing direct care staff and direct care wages and benefits; and if money is available after allocation to base rate reimbursements, changes in funding for nursing facility payment rates intended to change the base rate and incentive-based rate by equal percentages.

Section 2 of the bill would allow HHSC to delay implementing the bill if a federal waiver or authorization is required.

The bill takes effect September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

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