

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 21, 2007

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

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

IN RE: SB598 by Zaffirini (Relating to providing medical assistance to certain former foster care adolescents.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB598, As Introduced: a negative impact of (\$1,710,060) 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	(\$410,700)
2009	(\$1,299,360)
2010	(\$1,275,878)
2011	(\$1,275,878)
2012	(\$1,275,878)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable (Cost) from <i>FEDERAL FUNDS 555</i>	Change in Number of State Employees from FY 2007
2008	(\$410,700)	(\$410,700)	0.0
2009	(\$1,299,360)	(\$1,912,004)	1.0
2010	(\$1,275,878)	(\$1,888,522)	1.0
2011	(\$1,275,878)	(\$1,888,522)	1.0
2012	(\$1,275,878)	(\$1,888,522)	1.0

Fiscal Analysis

The bill requires the Health and Human Services Commission (HHSC) to provide Medicaid to former foster children 21 years of age or older, but younger than 25, who are not otherwise eligible for Medicaid and do not have adequate coverage under another health benefits plan if the person is enrolled in an institution of higher education located in Texas. HHSC is required to pursue any necessary federal waiver or authorization to receive matching funds to implement the program. In the event that a waiver or authorization is not granted, HHSC is required to provide health care services and benefits to these former foster children in a manner that is substantively identical to the existing program for former foster children up to age 21 except to the extent that programmatic differences are appropriate because of populations served and source of funding.

Methodology

It is assumed that it would take a year to receive federal approval and implement the program. If federal approval is not received, General Revenue Funds will be required in lieu of assumed federal matching funds.

Based on data from the Higher Education Coordinating Board 1,324 former foster children were enrolled in institutions of higher education in Texas and receiving tuition subsidies in fiscal year 2005. Based on historical growth and assumed increases in the proportion of former foster children enrolling in institutions of higher education, it is assumed that growth in this program would be double that of projected growth in average monthly foster care FTEs at the Department of Family and Protective Services. It is assumed that 1,806 former foster children will be enrolled in fiscal year 2008 and 2,002 in fiscal year 2009 and subsequent years. It is assumed that these persons range in age from 18 to 24 years old, with the majority 22 years old or younger; the assumed distribution is 90 percent evenly distributed among ages 18 to 22, 6 percent age 23, and 4 percent age 24. Based on this distribution, 46 percent would be 21 to 24 years of age. Due to the year delay in implementation, no client services impact is assumed in fiscal year 2008; 921 (46 percent of 2,002) clients are assumed to receive services in fiscal year 2009 and beyond.

The average cost per recipient month is assumed to be \$276.06, the estimated cost to provide services to TANF Adults in the Medicaid program (these are the only non-elderly, non-disabled, non-pregnant adults enrolled in Texas Medicaid). Total client services cost is estimated to be \$3.1 million All Funds, including \$1.2 million in General Revenue Funds, in fiscal year 2009 and subsequent years.

It is assumed that the additional Medicaid caseload will result in a need for 1.0 additional FTE (eligibility worker) in fiscal year 2009 and beyond. Other administrative costs include \$0.8 million in fiscal year 2008 for one-time costs for system modifications and \$0.1 in the 2008-09 biennium for costs to the Medicaid claims payment contractor. Additional enrollment broker and eligibility determination costs totaling \$75,356 are assumed each year beginning in fiscal year 2009.

The total estimated cost to implement the provisions of the bill are \$0.8 million All Funds, including \$0.4 million in General Revenue Funds, in fiscal year 2008 and \$3.2 million All Funds, including \$1.2 million in General Revenue Funds in fiscal year 2009 and subsequent years.

Technology

Included in costs above are \$0.8 million All Funds, including \$0.4 million in General Revenue Funds, for one-time system modifications in fiscal year 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

LBB Staff: JOB, CL, PP, LR