

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 3, 2007

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

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

IN RE: SB1696 by Nelson (Relating to eligibility for medical assistance for treatment of breast or cervical cancer.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1696, As Engrossed: a negative impact of (\$19,724,521) 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	(\$8,210,544)
2009	(\$11,513,977)
2010	(\$14,295,083)
2011	(\$16,647,587)
2012	(\$16,647,587)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID</i> 758	Change in Number of State Employees from FY 2007
2008	(\$2,585,586)	(\$14,756,597)	(\$5,624,958)	7.0
2009	(\$2,648,934)	(\$23,425,750)	(\$8,865,043)	7.0
2010	(\$3,288,762)	(\$29,084,046)	(\$11,006,321)	7.0
2011	(\$3,829,985)	(\$33,870,331)	(\$12,817,602)	7.0
2012	(\$3,829,985)	(\$33,870,331)	(\$12,817,602)	7.0

Fiscal Analysis

The bill would expand the provider base that can refer a low-income woman for treatment of breast or cervical cancer, by allowing a provider to refer regardless of whether the provider receives Center for Disease Control Title XV funding. Because CDC funds are limited, an expansion would require additional state funding at the Department of State Health Services (DSHS) for diagnosis and screening costs (GR funds, not available for a federal match) in addition to additional state and federal funding for Medicaid coverage for an expanded population at the Health and Human Services Commission.

Section one of the bill would expand access to Medicaid coverage for low-income women diagnosed with breast or cervical cancer by expanding the provider base that can refer a woman into Medicaid

for the duration of her cancer treatment.

Currently, a woman has been screened in the Center for Disease Control's (CDC) early detection program if CDC Title XV funds paid for all or part of the costs of her screening services. DSHS contracts with 41 provider agencies to distribute CDC Title XV funds for screening and diagnosis.

Under the provisions of the bill, a woman could also be considered screened in CDC's early detection program as long as the service was within the scope of services authorized under Title XV, regardless of funding source.

Section two of the bill would require HHSC to seek a waiver or authorization from the federal government to implement the bill, if necessary. Implementation may be delayed until the waiver or authorization is granted.

The bill would take effect September 1, 2007.

The Senate version of HB 1 includes funding at the level of this fiscal note for this program.

Methodology

HHSC estimates an unduplicated caseload of 1,179 women in fiscal year 2008, 1,197 in fiscal year 2009, 1,215 in fiscal year 2010, and 1,233 in fiscal years 2011 and 2012. HHSC projects some clients would continue to receive services for a period following the initial treatment year; these costs are assumed. The General Revenue cost to provide diagnostic (screening) services is \$2.6 million in fiscal year 2008, \$2.6 million in fiscal year 2009, \$3.3 million in fiscal year 2010, and \$3.8 million in fiscal years 2011 and 2012.

The All Funds cost to provide treatment services is estimated to be \$20.4 million in fiscal year 2008, \$32.3 million in fiscal year 2009, \$40.1 million in fiscal year 2010, and \$46.7 million in fiscal years 2011 and 2012. The General Revenue share of these costs is approximately 28 percent of the All Funds. The federal government provides a 72 percent match rate for treatment of breast and cervical cancer.

The staff support is estimated to be 7.0 full-time equivalents at DSHS (5.0 FTEs) and HHSC (2.0 FTEs). These 7.0 FTEs are estimated to cost \$249,655 for salaries and other personnel costs per fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

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