

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 27, 2007

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

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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1696, As Introduced: a negative impact of (\$9,868,995) 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	(\$3,887,964)
2009	(\$5,981,031)
2010	(\$7,917,774)
2011	(\$9,898,883)
2012	(\$9,898,883)

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	(\$1,195,871)	(\$7,009,874)	(\$2,692,093)	4.0
2009	(\$1,405,890)	(\$11,971,784)	(\$4,575,141)	4.0
2010	(\$1,643,836)	(\$16,447,186)	(\$6,273,938)	4.0
2011	(\$1,913,101)	(\$20,958,965)	(\$7,985,782)	4.0
2012	(\$1,913,101)	(\$20,958,965)	(\$7,985,782)	4.0

Fiscal Analysis

The bill would allow the DSHS to contract with additional providers to provide screening and diagnostic services and/or provide additional services by supplementing CDC Title XV funds with other funds. Under this option, more providers would be included in the current CDC-funded program through partial grants to providers and additional contracts with DSHS. Because CDC funds are limited, an expansion would require additional state funding to 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.

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. Currently the Department of State Health 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 if CDC Title XV funds did not pay for her services, but the service was within the scope of services authorized under a provider's grant, sub-grant, or contract.

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.

Methodology

HHSC estimates a caseload of 558 women in fiscal year 2008, 637 in fiscal year 2009, 722 in fiscal year 2010, and 813 in fiscal years 2011 and 2012. The General Revenue cost to provide diagnostic (screening) services is \$1.1 million in fiscal year 2008, \$1.3 million in fiscal year 2009, \$1.5 million in fiscal year 2010, and \$1.8 million in fiscal years 2011 and 2012.

The All Funds cost to provide treatment services is estimated to be \$9.6 million in fiscal year 2008, \$16.4 million in fiscal year 2009, \$22.6 million in fiscal year 2010, and \$28.8 million in fiscal years 2011 and 2012. The General Revenue share of these costs is approximately 28% of the All Funds. The federal government provides a 72% match rate for treatment of breast and cervical cancer.

The staff support is estimated to be 2.0 full-time equivalents at both DSHS and HHSC. These 4.0 FTEs are estimated to cost \$202,172 for salaries and benefits 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