

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

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

**March 29, 2007**

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

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

**IN RE: SB1734** by Nelson (Relating to providing Medicaid services to certain persons with traumatic brain or spinal cord injuries. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1734, Committee Report 1st House, Substituted: an impact of \$0 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)<br>Impact to General Revenue Related<br>Funds |
|-------------|--------------------------------------------------------------------------------|
| 2008        | \$0                                                                            |
| 2009        | \$0                                                                            |
| 2010        | \$0                                                                            |
| 2011        | \$0                                                                            |
| 2012        | \$0                                                                            |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>FEDERAL FUNDS</i><br>555 |
|-------------|------------------------------------------------------------------|
| 2008        | \$0                                                              |
| 2009        | \$0                                                              |
| 2010        | \$450,000                                                        |
| 2011        | \$450,000                                                        |
| 2012        | \$450,000                                                        |

**Fiscal Analysis**

The bill would implement recommendations from the Legislative Budget Board's Report "Use the Medicaid Program to Serve Eligible Texas with Traumatic Brain Injury."

The bill would require the Department of Assistive and Rehabilitative Services (DARS) to determine whether services provided under the Comprehensive Rehabilitation Services (CRS) program and funded with the General Revenue Dedicated account, could be provided more cost-effectively through the Medicaid program. In making this determination, DARS is required to compare the cost-effectiveness of providing these services by modifying existing Medicaid waivers; providing the services under an amendment to the state Medicaid plan allowed by the federal Deficit Reduction Act; or establishing a new home and community-based services 1915(c) waiver. As part of the cost-effectiveness analysis, DARS is required to evaluate the effect of providing these services through

Medicaid on (1) the number of the program recipients eligible for Medicaid based on the eligibility standards applicable to each approach, (2) General Revenue funds and (3) the amount of additional Federal Funds the state would receive.

The bill would require the Health and Human Services Commission (HHSC), the Department of Aging and Disability Services, and the Texas Traumatic Brain Injury Advisory Council to assist DARS in evaluating the cost-effectiveness of providing CRS services through Medicaid.

Contingent on the determination of the cost-effectiveness of such an approach, HHSC would be required to pursue federal authorization to provide these services through the Medicaid program and establish eligibility criteria. HHSC would also be required to ensure that CRS recipients continue receiving all services they are eligible for under the CRS program, regardless of whether services are provided through the existing CRS program or Medicaid. The bill would require DARS to coordinate services to all individuals served currently by CRS, regardless of whether these services are provided under Medicaid or the CRS program.

The bill would also require DARS to submit a report to the governor and the Legislative Budget Board with the results of agencies' determinations and actions no later than November 1, 2008.

The bill would take effect September 1, 2007.

### **Methodology**

It is estimated that there would be no fiscal impact to the state during 2008-09 biennium. Evaluation of the cost-effectiveness of providing certain CRS services through Medicaid and necessary policy revisions would be done by existing staff.

The LBB's report "Use the Medicaid Program to Serve Eligible Texas with Traumatic Brain Injury" estimated that starting in 2010, approximately \$450,000 in Federal Funds could be accessed by the state annually if services were provided through a new Medicaid home and community-based services waiver. This was based on the initial DARS estimate that 10 percent of the CRS program's recipients could meet Medicaid waiver criteria. Further reduction in the estimated number of eligible clients was made to reflect the number of eligible CRS recipients that meet income eligibility criteria based on current Medicaid waivers (300 percent of the Social Security Income).

Based on these assumptions, 25 individuals could receive CRS services through Medicaid with an average annual cost of \$30,000 per recipient per year. Federal portion (approximately 60 percent) of the total amount \$750,000 would represent additional Federal Funds that the state would be able to access by using this approach.

### **Technology**

If Medicaid is determined to be a cost-effective method to provide certain services for CRS individuals, there would be certain administrative costs associated with system changes at the HHSC and DARS. These costs are not estimated at present.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission, 538 Assistive and Rehabilitative Services, Department of

**LBB Staff:** JOB, CL, JI, NB