

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

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

**May 3, 2007**

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

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

**IN RE: SB1866** by Zaffirini (Relating to an exemption from cost limits specified for certain medical assistance waiver programs administered by the Department of Aging and Disability Services.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1866, Committee Report 1st House, Substituted: a negative impact of (\$205,342) 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	(\$55,481)
2009	(\$149,861)
2010	(\$243,768)
2011	(\$337,524)
2012	(\$431,281)

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

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR MEDICAID</i> 758	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2008	(\$55,481)	(\$85,154)
2009	(\$149,861)	(\$225,166)
2010	(\$243,768)	(\$365,651)
2011	(\$337,524)	(\$506,286)
2012	(\$431,281)	(\$646,921)

**Fiscal Analysis**

The bill would amend several sections including Subsections (b) and (c) and would add Subsections (e) and (f) to Section 32.058, Human Resources Code.

Subsection (b) would be amended to clarify that, with regard to the existing prohibition on providing waiver services if costs exceed the individual cost limit, cost meaning the cost over a twelve month period.

Subsection (c) would be amended to clarify that in the existing requirement for DADS to continue to provide waiver services to a person who was receiving those services on September 1, 2005, at a cost that exceeded the individual cost limit, cost means the cost over a twelve month period.

New Subsections (e) and (f) allow the department to exempt a person from the 133.3 percent cost limit, continue to provide services under the Home and Community-based Services (HCS) program to a person whose services exceed the cost limit if the department makes certain determinations, does not affect the department's compliance with the federal average per capita expenditure requirement and any cost-effectiveness requirements provided by the General Appropriations Act.

### **Methodology**

DADS estimated that approximately five clients per year would receive a cost exemption. DADS based the incremental increase to the average cost per person served for the clients upon the experience for the CLASS clients who exceed 133 percent of costs.

FY 2008: \$55,481 State, \$85,154 Federal-3 persons benefiting (average clients per month)

FY 2009: \$149,861 State, \$225,166 Federal-8 persons benefiting (average clients per month, cumulative)

FY 2010: \$243,768 State, \$365,651 Federal-13 persons benefiting (average clients per month, cumulative)

FY 2011: \$337,524 State, \$506,286 Federal-18 persons benefiting (average clients per month, cumulative)

FY 2012: \$431,281 State, \$646,921 Federal-23 persons benefiting (average clients per month, cumulative)

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 539 Aging and Disability Services, Department of

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