

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 18, 2009**

**TO:** Honorable Patrick M. Rose, Chair, House Committee on Human Services

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

**IN RE: HB745** by Dukes (Relating to a strategic plan for the child health plan and medical assistance programs.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB745, As Introduced: a negative impact of (\$2,109,195) through the biennium ending August 31, 2011.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$703,184)
2011	(\$1,406,011)
2012	(\$1,405,979)
2013	(\$1,405,979)
2014	(\$1,405,979)

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

<b>Fiscal Year</b>	<b>Probable (Cost) from GR Match For Medicaid 758</b>	<b>Probable (Cost) from Federal Funds 555</b>
2010	(\$703,184)	(\$771,816)
2011	(\$1,406,011)	(\$1,543,989)
2012	(\$1,405,979)	(\$1,544,021)
2013	(\$1,405,979)	(\$1,544,021)
2014	(\$1,405,979)	(\$1,544,021)

**Fiscal Analysis**

The bill requires the executive commissioner of the Health and Human Services Commission (HHSC) to develop, by September 1, 2010, a strategic plan designed to intensify community outreach and education relating to availability of CHIP and Medicaid and to reduce the paperwork and other administrative burdens associated with enrolling eligible individuals into those programs; the plan must be implemented by September 1, 2011. It requires state agencies to request any federal waiver or authorization necessary to implement any provisions of the bill and authorizes them to delay implementation until the waivers or authorizations are granted.

**Methodology**

HHSC indicates they are currently spending \$5.9 million annually on outreach for children's Medicaid

and CHIP. They assume outreach as described by the bill would require a 50 percent increase in expenditures. It is assumed that implementation of the plan would begin in fiscal year 2010 at a cost of \$1.5 million All Funds, including \$0.7 million in General Revenue Funds, increasing to \$3.0 million All Funds, including \$1.4 million in General Revenue Funds, in fiscal year 2011 and beyond. While these actions may result in an increase in caseload for these programs, and therefore an additional cost to the state for client services, no impact is included in this cost estimate.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, PP, MB, LR