

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

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

**March 19, 2009**

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

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

**IN RE: HB2376** by Turner, Sylvester (Relating to eligibility for and strengthening outreach activities under the child health plan program.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2376, 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**

Section 1 of the bill would require the Health and Human Services Commission (HHSC) to strengthen the community outreach and education campaign relating to the availability of health benefits for children under the child health plan. It also requires HHSC to conduct the campaign in a manner that initially prioritizes enrolling in the program children whose net family income is at or below 200 percent of the federal poverty limit (FPL) and, subsequently, prioritizes enrolling in the program children whose net family income is at or below 300 percent FPL after HHSC establishes this as the income eligibility level. Section 1 also sets forth requirements relating to the strengthening of the community outreach and education campaign.

Section 2 would require HHSC, as soon as possible after the date HHSC determines that 80 percent or more of children in this state who are eligible for health benefits coverage under the child health plan

program are enrolled in the program or in other adequate health benefits plan coverage, to extend income eligibility levels in the child health program so that a child who is younger than 19 years of age and whose net family income is at or below 300 percent of the federal poverty level is eligible for health benefit coverage under the program. It also requires the commissioner, at least annually, to evaluate and report the percentage of children in the state who are eligible for health benefits coverage under the child health plan program and who are enrolled in the program or in other adequate health benefits plan coverage.

Section 3 would extend income verification to enrollees added under Section 2 of the bill.

Section 4 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.

HHSC also indicates that enrollment in CHIP has never reached 80 percent of the eligible population. It cannot be determined when, or if, expanded outreach might increase enrollment in the program to this level. Because the time at which the requirements of the bill might trigger an increase in income eligibility to 300 percent of FPL cannot be determined, the cost of these provisions cannot be estimated.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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