

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

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

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

IN RE: HB3859 by Herrero (Relating to a staffing analysis to ensure the functionality of the Texas Integrated Eligibility Redesign System (TIERS) and benefits eligibility determination processes.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 531, Government Code by adding Section 531.4551. The new section would require the Health and Human Services Commission to conduct an analysis of staffing needs, including the need for additional state employees and contractor staff, with respect to the enhanced eligibility system and the expanded use of the Texas Integrated Eligibility Redesign System (TIERS). The analysis must specify the number of state employees and contractor staff needed to ensure the system remains fully functional without lapses in benefits to recipients; in compliance with state and federal requirements related to timeliness, accuracy and seamless transition between Medicaid and the children's health plan program; and in compliance with performance standards, benchmarks, and maximum caseload specifications.

The bill would become effective on September 1, 2009, or immediately with a two-thirds vote of each house.

It is assumed that the cost of conducting the staffing analysis can be absorbed within existing resources. If the agency was required to implement the results of the staffing analysis, there would be significant costs. The following figures assume staffing ratios of no more than 500 cases per worker (HHSC assumptions on what the analysis would determine is required). The General Revenue cost estimated by HHSC would be \$19.4 million in fiscal year 2010 (617 FTEs), \$21.8 million in fiscal year 2011 (761 FTEs), \$26 million in fiscal year 2012 (906 FTEs), \$30.1 million in fiscal year 2013 (1,054 FTEs), and \$34.2 million in fiscal year 2014 (1,199 FTEs). These General Revenue expenditures would be matched with equivalent amounts of Federal Funds (50/50 matching rate). The figures include caseload growth in each year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

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