

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 16, 2009

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

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

IN RE: HB4552 by Naishtat (Relating to authorizing the use of General Revenue in certain circumstances for Medical Assistance Waiver Programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4552, As Introduced: a negative impact of (\$2,400,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$1,200,000)
2011	(\$1,200,000)
2012	(\$1,200,000)
2013	(\$1,200,000)
2014	(\$1,200,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$1,200,000)
2011	(\$1,200,000)
2012	(\$1,200,000)
2013	(\$1,200,000)
2014	(\$1,200,000)

Fiscal Analysis

The bill would amend Human Resources Code Section 32.058 by amending Sections (a) and (c) and adding Sections (d), (e), (f), (g), and (h).

Amended Sections

(a) Making "medical assistance waiver program" refer to any waiver program under 42 USC sec. 1396n(c) (a 1915(c) waiver program) other than Texas Home Living at the Department of Aging and Disability Services (DADS).

(c) Allows General Revenue to be used to provide waiver services if the cost exceeds the individual cost limit, for persons who were receiving services above the cost limit on September 1, 2005, applies notwithstanding section 32.024(e), which says the department may not authorize the provision of

Medicaid services unless federal matching funds are available to pay the cost of the services.

New Subsections

(d) allows the use of General Revenue Funds to pay for services if the projected annual cost of care exceeds a waiver program's individual cost limit, federal financial participation is not available to pay for such services, the department determines the person's health and safety cannot be protected within the individual cost limit, and there is no other available living arrangement in which the person's health and safety can be protected, as evidenced by an assessment conducted by clinical staff of Health and Human Services Commission (HHSC) or DADS and supporting documentation including medical and service records.

(e) Provides the department must comply with the federal cost-effectiveness requirements for waiver programs, including cost neutrality in the aggregate under 42 USC sec. 1396n(c)(2)(D).

(f) Requires the department to employ utilization management and utilization review practices to ensure the appropriate scope and level of services and compliance with federal cost-effectiveness requirements.

(g) Provides this section does not establish an entitlement to services or to General Revenue Funding for services.

(h) Amends prior subsection (g) to say the HHSC may adopt rules to implement the entire section.

Methodology

The Department of Aging and Disability Services had estimated the cost of services for individuals who met the criteria identified above to be a range from \$1.2 to \$3.6 million in General Revenue Funds per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: JOB, CL, PP, ML