

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 13, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

IN RE: SB796 by Hinojosa (Relating to the provision and evaluation of comprehensive substance abuse treatment under the state Medicaid program.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would implement recommendations in the report, "Increase Access to Substance Abuse Treatment for Adult Medicaid Clients," in the Legislative Budget Board *Government Effectiveness and Efficiency Report* submitted to the Eighty-first Texas Legislature, 2009.

The bill would amend the Human Resources Code to require the Health and Human Services Commission (HHSC) to provide comprehensive substance abuse treatment under Medicaid to a person who is at least 21 years of age, has a substance abuse disorder, and otherwise qualifies for Medicaid.

The bill would amend Chapter 531 of the Government Code to require the Legislative Budget Board (LBB) to evaluate the cost-effectiveness of providing comprehensive substance abuse treatment to Medicaid recipients who are at least 21 years of age and publish a report on the study data by February 1, 2013. HHSC is required to analyze data related to the provision of these services and provide the data to the LBB. If the LBB determines that providing comprehensive substance abuse treatment under Medicaid has resulted in an increase in overall Medicaid spending, HHSC is required to discontinue providing comprehensive substance abuse treatment services to Medicaid recipients who are at least 21 years of age.

This bill would take effect September 1, 2009.

It is assumed that the cost to provide comprehensive substance abuse treatment to Medicaid recipients who are at least 21 years of age would be offset by reductions in other Medicaid spending in the same year that treatment services are provided. These reductions are expected due to declines in the use of acute care medical services for clients receiving substance abuse treatment. It is assumed that any cost to implement the provisions of the bill related to analyzing data and conducting the cost-effectiveness study would be minimal and can be absorbed within available resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 308 State Auditor's Office

LBB Staff: JOB, CL, JI, DM