

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

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

**March 23, 2009**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

**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.), **As Introduced**

**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 HHSC to conduct a study regarding the cost-effectiveness of providing comprehensive substance abuse treatment to Medicaid recipients who are at least 21 years of age and to submit a report on the study data to the governor, the state auditor, and the Legislative Budget Board, by December 1, 2012. The bill includes specific outcome measures that HHSC must use to evaluate cost-effectiveness. HHSC is required to submit the methodology for the cost-effectiveness study to the Legislative Budget Board for approval by December 1, 2009. If HHSC determines that providing comprehensive substance abuse treatment under Medicaid has resulted in an increase in overall Medicaid spending, they are 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 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:** 308 State Auditor's Office, 529 Health and Human Services Commission

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