

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 22, 2009

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

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

IN RE: SB2031 by Watson (Relating to the eligibility of certain individuals for child health plan coverage or medical assistance on placement, detention, or commitment in and release from certain facilities or other settings.), **As Introduced**

No significant fiscal implication to the State is anticipated.

If an individual enrolled in the Children's Health Insurance Program (CHIP) or Medicaid is placed, detained, or committed under Title 3, Family Code, in a facility or other setting that would otherwise result in the loss of eligibility for coverage under either of those programs, the bill requires that the individual's eligibility be suspended and automatically reinstated upon the individual's release. Following reinstatement the individual would remain eligible until the expiration of the period of continuous eligibility otherwise provided, excluding any period during which eligibility was suspended. State agencies are required 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.

The fiscal impact cannot be determined but is assumed to be minimal. Information on the number of children currently removed from CHIP or Medicaid under the circumstances defined by the bill is not available. The Health and Human Services Commission (HHSC) indicates current policy in both CHIP and Medicaid requires families to self-report when children are no longer living in the household; it is assumed that this policy would continue in regards to suspensions, with reports coming from either the family or the juvenile justice facility. If an automated system were to be developed to identify these children there would likely be a cost to both HHSC and juvenile justice agencies. HHSC currently coordinates with some juvenile justice facilities to assist with re-enrollment of children in Medicaid and CHIP upon their release, which would mitigate some of the increase in caseload that may result from the bill; others may no longer be eligible due to age upon release. It is assumed Federal law requires eligibility to be re-determined every 12 months; if release from a facility or other setting occurred more than 12 months after the most recent eligibility determination, automatic reinstatement may be in conflict with federal law. It is possible that a federal waiver or other authorization could be obtained to allow reinstatement. HHSC indicates that any cost to implement automation changes to suspend and reinstate eligibility could be absorbed within existing resources.

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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