

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82nd LEGISLATURE 1st CALLED SESSION - 2011

June 7, 2011

TO: Honorable Jerry Madden, Chair, House Committee on Corrections

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

IN RE: HB26 by Madden (Relating to the containment of costs incurred in the correctional health care system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB26, As Introduced: a positive impact of \$9,928,282 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$5,734,721
2013	\$4,193,561
2014	\$4,193,561
2015	\$4,193,561
2016	\$4,193,561

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1
2012	\$5,734,721
2013	\$4,193,561
2014	\$4,193,561
2015	\$4,193,561
2016	\$4,193,561

Fiscal Analysis

The bill would amend Sections 499 and 501 of the Government Code to add provisions regarding TDCJ policies designed to manage inmate population based on similar health conditions, to require inmates who initiate a visit to a health care provider to pay an annual \$100 health care services fee, and to require TDCJ to provide certain over-the-counter medications to offenders through commissary operations and do so at no cost if the inmate is indigent.

The bill would require TDCJ, UTMB, and TTUHSC to develop and implement a training program for corrections medication aides similar to the one currently offered by DADS which certifies medication aides who work in nursing homes.

The bill would provide an exemption from end stage renal disease licensing requirements for clinics and hospitals operated on behalf of the state that provide dialysis to individuals receiving services in the correctional managed health care program.

The bill would take effect on the 91st day after the last day of the legislative session.

Methodology

Section 1 would require TDCJ to adopt policies designed to manage inmate population based on similar health conditions. TDCJ reports that the agency currently considers medical need in housing determinations to the extent possible without sacrificing the safety and security of staff and inmates.

Section 2 would replace an inmate copayment of \$3 with an annual inmate health care fee of \$100 for certain non-indigent inmates who initiate a visit to a health care provider. The fee would cover all the inmates' health care visits for one year. TDCJ reports that in fiscal year 2010, there were 77,058 offenders with annual trust deposits of \$100 or more. However, deposits are not expected to remain constant in future years as a result of a variety of economic and other factors. Assuming 80 percent of inmates with sufficient funds to pay the fee would initiate a health care visit, the fee would produce \$10.8 million in revenue for the 2012-13 biennium. Eliminating the copayment would result in a loss of \$859,838 in General Revenue in 2012-13 biennium. The net revenue gain would be \$9.9 million for the 2012-13 biennium. The estimate assumes 61,646 inmates pay the fee in 2012 and 46,235 inmates pay the fee in 2013. The estimate does not reflect changes in utilization that may occur as a result of the bill. Charging an annual fee instead of a per visit fee could result in increased requests for health care services and the increased cost could also result in some inmates avoiding necessary care.

Section 3 would have no significant fiscal impact to the state.

Sections 4 and 5 would implement recommendations in the Legislative Budget Board's Government Effectiveness and Efficiency Report entitled "Eliminate Statutory Barriers to Contain Costs in Correctional Managed Health Care," submitted to the Eighty-second Legislature, 2011. The provisions would reduce costs in the Correctional Managed Health Care program by creating operational efficiencies for the program's health care providers.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 696 Department of Criminal Justice, 720 The University of Texas System Administration

LBB Staff: JOB, ESi, JI, DH