

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 22, 2011

TO: Honorable Richard Pena Raymond, Chair, House Committee on Human Services

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

IN RE: HB419 by Villarreal (Relating to the automatic enrollment of certain women in the demonstration project for women's health care services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB419, As Introduced: a positive impact of \$81,823,793 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	\$36,643,392
2013	\$45,180,401
2014	\$22,945,999
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2011
2012	\$36,643,392	\$17,521,204	137.0
2013	\$45,180,401	\$21,467,384	139.7
2014	\$22,945,999	\$16,567,113	47.5
2015	\$0	\$0	0.0
2016	\$0	\$0	0.0

Fiscal Year	Change in Number of State Employees from FY 2011
2012	176.7
2013	180.3
2014	61.3
2015	0.0
2016	0.0

Fiscal Analysis

The bill would implement a recommendation in the report "Continue and Expand the Texas Medicaid Women's Health Program to maximize Federal Funds and State Savings" in the Legislative Budget Board's *Government Effectiveness and Efficiency Report*, submitted to the Eighty-second Texas

Legislature, 2011.

The bill would direct the Health and Human Services Commission (HHSC) to continue the Medicaid Women's Health Program (WHP) through September 1, 2021 and continue current reporting requirements. It would also direct HHSC to automatically enroll women enrolled in the the Medicaid Pregnant Women's program to the Women's Health Program (WHP), ensuring no break between the programs.

HHSC would be authorized to seek federal approval to implement the provisions of the bill and delay implementation if necessary.

The bill takes effect August 31, 2011.

Methodology

To continue the Women's Health Program, the Health and Human Services Commission (HHSC) must prepare a waiver renewal, obtain federal approval, and adopt rules. This estimate assumes all start-up activities can be accomplished by August 31, 2011 including any system changes needed for auto enrollment.

Net savings shown above include savings from continuing the waiver and the savings and cost of providing women's health services to the clients already eligible for coverage as well as the population eligible for auto-enrollment. All Funds savings from continuing the waiver, based on estimates from the HHSC, are \$64.5 million in fiscal year 2012, \$66.2 million in fiscal year 2013, and \$25.3 million in fiscal year 2014. These savings are assumed in House Bill 1 as introduced.

This estimate assumes that approximately 134,000 women would be automatically enrolled in the WHP following a Medicaid-covered childbirth in 2012. In 2013, an estimated 136,680 women would be eligible for auto-enrollment. For the first four months of fiscal year 2014, 46,471 women would be auto-enrolled. The increased caseloads in each year of the biennium would require an increase in FTEs. The All Funds cost for the increased eligibility determination staff (including salaries, overhead costs, employee benefits, office supplies and technology costs) is estimated as \$6.6 million in fiscal year 2012, \$6.2 million in fiscal year 2013, and \$1.7 million in fiscal year 2014. The All Funds cost for providing women's health services to the auto enroll population is estimated at \$6 million in fiscal year 2012, \$9.4 million in fiscal year 2013, and \$3.3 million in fiscal year 2014.

Using an evaluation model developed by the Centers for Medicare and Medicaid Services (CMS) and data provided by HHSC, approximately 1,167 pregnancies and deliveries would be averted or delayed during the 2012-13 biennium among participants enrolled via the auto enroll program, resulting in \$14.5 million in All Funds savings, with additional savings accruing in fiscal year 2014.

HHSC assumed that beginning January 1, 2014, women's health services would be available through the expanded coverage provisions of the Patient Protection and Affordable Care Act (PPACA), and therefore savings and costs from this Act are only for the first four months of fiscal year 2014. Savings after this time would accrue to the program that replaces the Women's Health Program.

Local Government Impact

HHSC assumes there is no fiscal impact to local government entities.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, JI, BH, ES, LR