

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 22, 2011

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

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

IN RE: HB1605 by Guillen (Relating to the use of telemonitoring in the medical assistance program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would implement a recommendation in the report, "Increase the Use of Telemonitoring in the Texas Medicaid Program to Improve Patient Outcomes," in the Legislative Budget Board's *Government Effectiveness and Efficiency Report*, submitted to the Eighty-second Texas Legislature, 2011.

The bill would require the Health and Human Services Commission (HHSC) to determine the feasibility of piloting telemonitoring for diabetes and other conditions and share information on Medicaid health management organization's (HMO's) telemonitoring programs with other Medicaid providers.

Section 2 requires the commission to determine if a pilot program from Medicaid Enhanced Care were cost-neutral or cost-saving. If it were, HHSC would be required to implement telemonitoring for select diabetes patients in the Texas Health Management Program. If it were not, HHSC would be required to determine the feasibility of creating a new, cost-neutral telemonitoring pilot program for select diabetes patients in the Texas Health Management Program. HHSC is also required to determine the feasibility of creating new, cost-neutral telemonitoring pilot programs for conditions other than diabetes. If cost-neutral pilot programs are feasible, they would be required to be implemented in the Texas Health Management Program.

Section 2 also requires HHSC to identify telemonitoring strategies used by Medicaid HMOs that have improved performance on key health measures or have been cost-saving or cost-neutral. HHSC would be required disseminate information on those strategies to encourage the adoption of effective telemonitoring practices.

HHSC indicates it could absorb the costs associated with implementing the requirements of the bill using current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, JI, JQ