

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB2316 by Coleman (Relating to county powers, duties, and services, including the powers and duties of certain districts, and the authorization of certain health care programs and studies.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Code of Criminal Procedure, Election Code, Government Code, Health and Safety Code, Local Government Code, Occupations Code, and Tax Code relating to the administration of various county services and duties.

The bill would direct the Health and Human Services Commission (HHSC), if feasible and cost effective, to apply for a waiver from the federal government to maximize the federal Medicaid matching funds to counties by providing Medicaid benefits to individuals who have a net family income at or below 200 percent of the federal poverty level and who are eligible to receive mental health services through the county. HHSC would also be directed to apply for a waiver related to individuals who have a net family income at or below 150 percent of the federal poverty level and who are eligible to receive medical treatment for HIV or AIDS through the county.

The bill would amend Section 387 of the Local Government Code to authorize the creation of more than one county assistance district in a county and would establish procedures for creating more than one district. The bill also would amend statutes regarding powers, duties, operations, elections, and sales and use tax change of a county assistance district. Under current statute, if an election is held and the vote is against the creation of a district, another election may not be held prior to the first anniversary of the most recent election concerning the creation. Under the proposed change in statute, one or more elections may be held, and the limit on when the election could be held would be removed.

The bill would require HHSC to study the health care delivery systems used by health care providers who are not physicians to address the potential cost savings and other foreseeable consequences of expanding the authority of advanced practice nurses to prescribe medication to patients. The commission would be required to submit a report to the legislature no later than December 31, 2012.

The bill would create an interim legislative committee on health care professionals to conduct a study of the value of health care professionals in cost containment and access to health care and potential health care delivery system that include multiple types of providers.

The bill would direct HHSC to request an amendment or other authorization to extend the operation of the waiver demonstration project for women's health care services under Section 32.0248 of the Human Resources Code, as amended by the bill. However, Section 32.0248, Human Resources Code, is not amended by the bill. Therefore, the women's health care service demonstration project waiver is assumed to expire September 1, 2011 (under current law).

Based on the analysis of HHSC, the potential costs or savings of implementing a Medicaid waiver program for clients eligible for mental health services or HIV or AIDS medical treatment at the county level cannot be determined at this time. HHSC would contract with a vendor to determine the

feasibility and cost effectiveness of implementing these waiver programs. For purposes of this analysis, it is assumed HHSC would only implement the waiver programs if they were cost effective, and therefore, there is no significant impact to the state.

It is assumed the duties and responsibilities associated with implementing the provisions of the bill, specifically determining the feasibility and cost-effectiveness of the waiver programs and completing a study of the health care delivery system by health care providers who are not physicians, can be accomplished by utilizing existing agency resources.

Local Government Impact

It is anticipated that the proposed changes relating to administration of various county services and duties would provide a positive fiscal impact for counties that would vary by county.

The Texas Association of Counties reported that the fiscal impact of the bill on local governments is not anticipated to be significant.

The costs to implement the changes in Section 387 of the Local Government Code would vary by county depending on whether an associated election coincides with another election previously determined to take place in the county or if an election is held alone; and the number of eligible voters and precincts.

Based on costs reported to the Secretary of State (SOS) in 2010 by a sampling of counties, municipalities, and special districts, the average cost incurred by a local government entity for an election is \$1.98 per registered voter. If a special election were to be held on the general election date, the local government would experience an increase in costs that would not likely be significant (because the state pays the majority of the costs). However, if a special election were to be held on a uniform election date other than the general election date, the local government would incur the full costs associated with conducting the special election (pay to election workers, fees for the use of polling locations, publishing notices, and printing ballots).

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, KKR, MB, ES, VJC, TP