

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 20, 2011**

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

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

**IN RE: HB2368** by Parker (Relating to copayments and other cost-sharing payments under the medical assistance program.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would require or authorize the executive commissioner of the Health and Human Services Commission (HHSC) to require Medicaid recipients to pay copayments in certain situations and for certain services. An existing prohibition on reducing hospital payments to reflect the potential receipt of payment from a recipient receiving services through a hospital emergency room is removed. Medicaid providers would not be required to bill, or collect from a recipient, a copayment.

According to HHSC, extensive system changes would be required to implement the provisions in the bill; estimated costs are \$3.5 million in fiscal year 2012 for one-time system changes and ongoing operations costs of \$1.9 million in fiscal year 2013, \$2.4 million in fiscal year 2014, \$2.5 million in fiscal year 2015, and \$2.6 million in fiscal year 2016. According to HHSC, copayments could act as a deterrent to accessing care, resulting in a reduction to utilization or a shifting to a lower-cost setting; however, federal requirements limit application of cost sharing to a small percentage of the Texas Medicaid population, services cannot be denied if clients do not contribute toward cost-sharing, and the bill does not require providers to collect the copayments. Further, hospitals are required to meet the requirements of the Emergency Medical Treatment and Active Labor Act. It is unlikely that implementing copayments alone would result in a significant savings. It is assumed that HHSC would have to reduce hospital, or other provider payments, in order to achieve the level of savings necessary to offset implementation and administrative costs or to produce significant savings.

**Local Government Impact**

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

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, MB, LR