

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 4, 2011

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

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

IN RE: HB3053 by Paxton (Relating to efficiency in the delivery of health and human services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3053, As Introduced: a negative impact of (\$5,428,082) through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$590,883)
2013	(\$4,837,199)
2014	(\$4,910,952)
2015	(\$4,983,427)
2016	(\$5,055,902)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR Match For Medicaid</i> 758	Probable (Cost) from <i>Federal Funds</i> 555
2012	(\$590,883)	(\$590,882)
2013	(\$4,837,199)	(\$6,511,763)
2014	(\$4,910,952)	(\$6,592,600)
2015	(\$4,983,427)	(\$6,690,174)
2016	(\$5,055,902)	(\$6,787,748)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	1.0
2013	1.0
2014	1.0
2015	1.0
2016	1.0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to streamline forms and

records for administration of the Medicaid program, create a database for records storage to facilitate audit procedures, and create a portal on its website to facilitate commerce, recordkeeping, communication and information.

The bill would establish a 16-member task force appointed by the Lieutenant Governor and the Speaker of the House to improve health and human services efficiency.

The bill would require HHSC and the Department of Aging and Disability Services (DADS) to apply for a waiver program to serve medically fragile individuals under age 21 who require a hospital level of care under the medical assistance program outside the scope, amount or duration of non-waiver services available.

The bill would require HHSC to consolidate and reconsider rules relating to health and human services to ensure compliance with the bill.

The bill would take effect September 1, 2011.

Methodology

To estimate the cost of implementing Section 3 of the bill, DADS first collected information on individuals who were within 18 months of aging out of HHSC's Comprehensive Care Program (CCP) and who were receiving 70 or more hours of nursing per week. This data showed 50 individuals with an average annual service cost of \$202,828. DADS also collected information for the subset of this population who were not receiving waiver services. The average annual waiver cost for this group was \$187,369. Therefore, the estimated incremental service cost for this new waiver would be \$15,459 (\$202,828 less \$187,369).

To estimate the number of individuals for the full population, DADS estimated the total based upon the 50 individuals above. Twenty-one years times 12 months equals 252 months. 252 divided by 18 equals 14, so the full population impacted is expected to be 14 times the population within 18 months of aging out, an estimated 700 clients in FY 2010. The estimated number of individuals served per month would be 727 for FY 2013, 737 for FY 2014, 748 for FY 2015, and 759 for FY 2016.

For administrative costs in FY 2012 DADS included one Program Specialist VII for development of automation changes as well as development of the federal waiver application and rules and procedures for the waiver. DADS estimated the first year of waiver operations would be in FY 2013.

Depending on the requirements for streamlining forms and records and using a web-based portal, HHSC estimates there could be significant costs related to data storage and portal enhancements required by provisions of the bill. For purposes of this analysis, it is assumed that HHSC could meet these requirements through existing systems.

Based on this analysis, duties and responsibilities associated with appointing and supporting the task force to improve health and human services efficiency can be accomplished utilizing existing resources.

Technology

Based on DADS analysis, one-time automation costs in FY 2012 would total \$1,070,484 in All Funds, including \$377,400 for system changes; \$3,084 in data consolidation services costs; and \$690,000 for automation costs at Texas Medicaid & Healthcare Partnership (Medicaid claims adjudicator).

HHSC indicated that there would be one-time automation costs of \$127,500 in All Funds in FY 2012 to make modifications to the Texas Integrated Eligibility Redesign System.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services,
Department of

LBB Staff: JOB, CL, MB, ES, VJC