

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable John Whitmire, Chair, Senate Committee on Criminal Justice

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

IN RE: HB3459 by Eiland (Relating to the containment of costs incurred in the correctional health care system.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3459, Committee Report 2nd House, Substituted: a positive impact of \$13,485,150 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	\$7,705,800
2013	\$5,779,350
2014	\$5,779,350
2015	\$5,779,350
2016	\$5,779,350

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1
2012	\$7,705,800
2013	\$5,779,350
2014	\$5,779,350
2015	\$5,779,350
2016	\$5,779,350

Fiscal Analysis

The bill would amend Sections 499 and 501 of the Government Code to add provisions regarding TDCJ policies designed to manage inmate population based on similar health conditions, to require inmates to pay an annual \$100 health care services fee, and to require TDCJ to provide certain over-the-counter medications to offenders through commissary operations and do so at no cost if the inmate is indigent.

The bill would require TDCJ, UTMB, and TTUHSC to develop and implement a training program for corrections medication aides similar to the one currently offered by DADS which certifies medication aides who work in nursing homes.

The bill would provide an exemption from end stage renal disease licensing requirements for clinics and hospitals operated on behalf of the state that provide dialysis to individuals receiving services in the correctional managed health care program.

The bill would take effect September 1, 2011.

Methodology

Section 1 would require TDCJ to adopt policies designed to manage inmate population based on similar health conditions. TDCJ reports that the agency currently considers medical need in housing determinations to the extent possible without sacrificing the safety and security of staff and inmates.

Section 2 would replace an inmate copayment of \$3 for certain inmates with an annual inmate health care fee of \$100 for all confined inmates. Currently only certain inmates who use medical services are required to pay the \$3 copayment while the revision would require all inmates, regardless of the frequency in which they use health care services, to pay the annual fee. TDCJ reports that in fiscal year 2010, there were 77,058 offenders with annual trust deposits of \$100 or more. However, deposits are not expected to remain constant in future years as a result of a variety of economic and other factors. Assuming the fiscal year 2011 amount for fiscal year 2012 and calculating 75 percent of the amount for subsequent years, it is estimated that the bill would produce \$13.5 million in revenue for the 2012-13 biennium.

Section 3 would have no significant fiscal impact to the state.

Sections 4 and 5 would implement recommendations in the Legislative Budget Board's Government Effectiveness and Efficiency Report entitled "Eliminate Statutory Barriers to Contain Costs in Correctional Managed Health Care," submitted to the Eighty-second Legislature, 2011. The provisions would reduce costs in the Correctional Managed Health Care program by creating operational efficiencies for the program's health care providers.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of, 696 Department of Criminal Justice, 720 The University of Texas System Administration, 739 Texas Tech University Health Sciences Center, 697 Board of Pardons and Paroles, 781 Higher Education Coordinating Board

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