

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 7, 2011

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB222 by Nelson (Relating to access to certain long-term care services and supports under the medical assistance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB222, As Introduced: a positive impact of \$27,670,381 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	\$13,497,376
2013	\$14,173,005
2014	\$29,880,821
2015	\$29,880,821
2016	\$29,880,821

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings from Federal Funds 555
2012	\$13,497,376	\$19,106,621
2013	\$14,173,005	\$19,136,054
2014	\$29,880,821	\$40,229,036
2015	\$29,880,821	\$40,229,036
2016	\$29,880,821	\$40,229,036

Fiscal Analysis

SECTION 1 adds a new section to the Government Code, 531.02181, Provision and Coordination of Attendant Care Services. This section requires the Health and Human Services Commission (HHSC) to ensure that recipients who are eligible to receive attendant care services under a 1915(c) waiver program are first provided those services, if available, under a Medicaid state plan program (primary home care (PHC), community attendant services (CAS), and personal care services (PCS)). A recipient will only be allowed to receive attendant care services under a waiver program if (1) the recipient requires services beyond those available under a state plan program, or (2) the services are not otherwise provided under a Medicaid state plan program.

The HHSC Commissioner is required to adopt rules for (1) coordinating services between state plan and waiver programs to ensure recipients needs are being met and to prevent duplication of services;

(2) an automated authorization system for authorizing and registering attendant care services; (3) billing procedures for attendant care services; and (4) case managers and service providers determining if services provided are personal care or habilitation/supported home living services, if necessary.

SECTION 4 adds a new section to Chapter 161 of the Human Resources Code, the enabling chapter for DADS. Section 161.084 requires the Department of Aging and Disability Services (DADS), in cooperation with HHSC, to develop and implement a public awareness and education campaign to educate the public on the availability of services in 1915(c) waiver programs, and the service delivery options available for Medicaid services. DADS is authorized to coordinate this campaign with any other related activities.

SECTION 5 requires HHSC, in cooperation with DADS, to conduct a study of individuals who receive long-term care services in nursing facilities under the Medicaid program. The study must identify (1) why individuals are placed in nursing facilities; (2) the types of services they typically receive and where and from whom the services are typically provided; (3) services available under 1915(c) waivers for which nursing facility residents would be eligible; and (4) ways to expedite access to services for which waiting lists exist. HHSC is required to submit the report required by this section, along with the commissioner's recommendations to the governor and other state officials by September 1, 2012.

SECTION 6 requires HHSC to seek an amendment to the Home and Community-based Services (HCS) Waiver to allow residential care to be provided by a 6-bed group home provider. The amendment must allow for the conversion of 3-bed and 4-bed providers to 6-bed providers.

SECTION 7 provides that a state agency must request a waiver or authorization from a federal agency if it is necessary to implement any provision of this bill and the agency may delay implementation until the waiver or authorization is granted.

Methodology

SECTION 1: The requirement that Medicaid Section 1915(c) waiver recipients first receive attendant care services through Medicaid state plan services is estimated to save \$33.3 million annually in All Funds (\$13.8 million General Revenue in fiscal year 2012, \$14.2 million General Revenue in fiscal year 2013).

DADS assumes that 90 percent of the personal attendant service (PAS) hours provided through the Community Based Alternatives (CBA) waiver would be provided instead through the PHC or CAS Medicaid State Plan programs, which have an average reimbursement rate that is 10.1 percent lower than the average CBA PAS rate. The analysis does not assume further expansion of STAR+Plus.

SECTION 4: It is assumed that the cost of the public awareness campaign is minimal and could be implemented with existing resources through other related activities by DADS.

SECTION 5: DADS assumes the cost of a study of individuals receiving long term care services in nursing facilities is estimated at \$175,000 (\$87,500 GR) in fiscal year 2012.

SECTION 6: It is assumed in fiscal year 2012 DADS would seek an amendment to the HCS Waiver to allow residential care to be provided by a 6-bed group home provider and allow for the conversion of 3-bed and 4-bed providers to 6-bed providers. It is assumed it would take a year to receive approval and implement provisions of SECTION 6. In order to assist providers in recovering their conversion costs, this analysis assumes that DADS would continue to pay providers at current rates throughout fiscal year 2013 even after they began serving six individuals, instead of only three or four.

DADS assumed the new 6-bed rate, once implemented, would be \$15.53 less than the current average rates for 3 and 4-bed homes. This would result in All Funds savings of \$36.8 million per fiscal year beginning in fiscal year 2014.

Technology

The cost of automation changes necessary to implement the requirements under Section 1 is \$530,000 in All Funds in fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

LBB Staff: JOB, CL, JI, AFe