

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 11, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee On Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB909 by Gonzalez, Naomi (Relating to the personal needs allowance for certain Medicaid recipients who are residents of long-term care facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB909, As Introduced: a negative impact of (\$12,561,918) through the biennium ending August 31, 2015.

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
2014	(\$6,244,239)
2015	(\$6,317,679)
2016	(\$6,321,634)
2017	(\$6,321,634)
2018	(\$6,321,634)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>GR Match For Medicaid</i> 758	Probable (Cost) from <i>Federal Funds</i> 555
2014	(\$2,167,740)	(\$4,076,499)	(\$5,799,926)
2015	(\$2,184,840)	(\$4,132,839)	(\$5,754,336)
2016	(\$2,184,840)	(\$4,136,794)	(\$5,750,381)
2017	(\$2,184,840)	(\$4,136,794)	(\$5,750,381)
2018	(\$2,184,840)	(\$4,136,794)	(\$5,750,381)

Fiscal Analysis

The bill would increase the personal needs allowance for Medicaid-enrolled residents of nursing facilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) from a minimum of \$60 per month to a minimum of \$75 per month.

Methodology

A projected 66,818 average monthly Medicaid recipients will reside in nursing facilities or ICFs/IID (including State Supported Living Centers, SSLCs) in fiscal year 2014, increasing to 67,067 in fiscal year 2015 and beyond. It is assumed that the personal needs allowance for each of these recipients would be increased by \$15 per month, from the current payment of \$60 per month to the new minimum of \$75 per month; there would be an additional cost to increase the monthly payment above the revised minimum. A projected 12,043 recipients in fiscal year 2014 and 12,138 recipients in fiscal year 2015 have incomes of less than \$60 per month; the \$15 monthly increase for these recipients would be funded entirely with General Revenue Funds, an estimated \$2.2 million in each fiscal year. The monthly increase for the remaining recipients would be a reduction to applied income, increasing the average monthly cost of care for these recipients. The increased costs would be matched with Federal Funds based on the Federal Medical Assistance Percentage (FMAP) at an estimated cost of \$9.9 million in All Funds, including \$4.1 million in General Revenue Match for Medicaid Funds, in each fiscal year.

According to the Health and Human Services Commission there would be a one-time cost for systems changes of \$17,000 in All Funds in fiscal year 2014.

Technology

A one-time cost of \$17,000 in All Funds for systems changes (programming) is included in fiscal year 2014.

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: UP, CL, MB, LR, NB