

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: HB1267 by Guillen (Relating to certain Medicaid home and community-based services waiver programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1267, As Introduced: a negative impact of (\$2,249,719) 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 | (\$457,326) |
| 2015 | (\$1,792,393) |
| 2016 | (\$2,664,303) |
| 2017 | (\$3,745,599) |
| 2018 | (\$4,790,854) |

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 | Change in Number of State Employees from FY 2013 |
|-------------|---|---|---|
| 2014 | (\$457,326) | (\$457,326) | 1.0 |
| 2015 | (\$1,792,393) | (\$3,093,519) | 1.0 |
| 2016 | (\$2,664,303) | (\$4,397,375) | 1.0 |
| 2017 | (\$3,745,599) | (\$5,900,410) | 1.0 |
| 2018 | (\$4,790,854) | (\$7,353,349) | 1.0 |

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to develop and apply for a 1915(c) waiver for medically fragile individuals at least 21 years of age who require a hospital level of care. The bill would also require HHSC to develop and apply for a 1915(c) waiver to establish a level of need for use in the Home and Community-based Services (HCS) waiver to

assess individuals who are at least 21 years of age and may require continuous, intensive, and specialized medical support. The bill would require that the individual cost limit for individuals assigned this new level of need to be equal to or greater than the individual cost limit for individuals assigned the level of need that includes the receipt of the most intensive behavioral health support in HCS.

Methodology

According to HHSC and DADS there would be costs of \$0.8 million in fiscal year 2014 and \$0.5 million in fiscal year 2015 for systems modifications. DADS also indicates the need for 1.0 full-time equivalent to develop and implement the waiver.

It is assumed that the medically fragile individuals waiver would be operational and providing services beginning in September 2014. According to DADS, an average of 50 individuals would qualify for services in fiscal year 2015, increasing each year to an average of 140 in fiscal year 2018. DADS indicates these clients are currently receiving some services from the department, but that there would be an incremental cost increase of \$86,140 per client per year in the new waiver for an estimated cost of \$4.3 million in All Funds in fiscal year 2015 increasing to \$12.1 million in fiscal year 2018. Additionally, DADS indicates some of these clients are currently receiving GR-funded services for which federal matching funds could be received in the Medicaid waiver; an estimated \$0.5 million in General Revenue Funds each year would be replaced with \$0.2 million in General Revenue Funds and \$0.3 million in Federal Funds.

The total cost to develop and implement the new waiver is estimated to be \$0.9 million in All Funds in fiscal year 2014, \$4.9 million in All Funds in fiscal year 2015, \$7.1 million in fiscal year 2016, \$9.6 million in All Funds in fiscal year 2017, and \$12.1 million in All Funds in fiscal year 2018.

1915(c) waiver services are not an entitlement and these costs could be reduced by limiting the number of individuals enrolled in the new waiver and operating an interest list for services.

According to DADS, there would be no cost associated with the new level of need in the existing HCS waiver.

Technology

Estimated costs include \$0.8 million in fiscal year 2014 and \$0.5 million in fiscal year 2015 for systems modifications.

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