

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 21, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1605** by Davis, Sarah (Relating to the establishment of a pilot program in Harris County to provide maternity care management to certain women enrolled in the Medicaid managed care program.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill adds Section 531.0996, Government Code, which would require the Health and Human Services Commission (HHSC) to develop and implement a pilot program in Harris County to create pregnancy medical homes for women enrolled in Medicaid managed care under Chapter 533, Government Code. Each pregnancy medical home created would be required to provide a maternity management team and the bill authorizes HHSC to incorporate financial incentives to providers participating in the maternity management teams. HHSC would be required to report to the legislature on the progress of the pilot no later than January 1, 2015. Section 531.0996, Government Code, as added by the bill would expire September 1, 2017.

According to HHSC, any costs related to systems modifications, contract amendments, adoption of rules, evaluation of the pilot program, and reporting are not expected to have a significant fiscal impact and any costs can be absorbed within the existing resources of the agency. It is assumed that any costs related to provider reimbursement and incentive payments would be offset by savings from improved birth outcomes; however, discretion for setting these payment rates would be with HHSC and expenditures could exceed savings since the bill does not include a requirement for cost-effectiveness. The fiscal impact would be further affected by the number of providers and women participating and the effectiveness of the pilot program, none of which can be determined at this time.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, SD, KKR, CL, LR, NB