

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB682 by Campbell (Relating to reimbursement for services provided by advanced practice nurses and physician assistants under the Medicaid program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB682, As Introduced: a positive impact of \$14,499,034 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	\$6,886,054
2015	\$7,612,980
2016	\$8,261,067
2017	\$8,895,463
2018	\$9,578,576

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Federal Funds 555
2014	\$6,886,054	\$9,788,249
2015	\$7,612,980	\$10,599,891
2016	\$8,261,067	\$11,483,358
2017	\$8,895,463	\$12,365,204
2018	\$9,578,576	\$13,314,770

Fiscal Analysis

The bill would implement the recommendation in the report "Require Non-Physician Medicaid Services Be Reimbursed At Non-Physician Rates," in the Legislative Budget Board's Government Effectiveness and Efficiency Report submitted to the Eighty-Third Texas Legislature, 2013.

The bill would amend the Human Resources Code to require that Medicaid services rendered by advanced practice nurses (APNs) and physician assistants (PAs) be reimbursed at the rate set for those providers by the Health and Human Services Commission (HHSC). Under current Texas Medicaid policy, APNs and PAs are reimbursed at 92 percent of a physician's rate for most services.

Methodology

The bill would result in General Revenue Fund savings of \$14.5 million and All Funds savings of \$34.9 million in the 2014-15 biennium.

APNs and PAs are healthcare providers educated and trained according to national standards to provide primary and acute care within limited scopes of practice in a variety of settings. HHSC estimates that these mid-level providers could potentially comprise as much as 25 percent of the primary care physician workforce for services that fall within the APN's or PA's professional scope of practice. HHSC estimates the bill will result in savings to the Medicaid program by shifting approximately 10 percent of the current services provided by APNs and PAs and billed at the full physician rate to the 92 percent reimbursement rate.

HHSC estimates one-time costs associated with professional fees to modify provider enrollment information and claims processing policies of \$62,305 in fiscal year 2014. HHSC estimates a 75/25 federal match for the claims processing changes and a 50/50 federal match for modifications to the provider enrollment information.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, JI, BH