

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1175 by Deuell (Relating to the establishment of a reuse program for durable medical equipment provided to recipients under the Medicaid program.), **As Introduced**

Because the methodology for implementing the program, the reimbursement for reused durable medical equipment, and the level of utilization of the equipment is unknown at this time, the fiscal implications to the state cannot be determined.

The bill would require the executive commissioner of the Health and Human Services Commission (HHSC) to establish by rule a program to facilitate the reuse of durable medical equipment provided to recipients under the Medicaid program. The bill would require the program to ensure the reused equipment meets standards of functionality and sanitation.

HHSC anticipates there could be a significant fiscal impact related to implementing the provisions of the bill. There could be significant costs from developing the program, changing contracts with managed care organizations and providers, seeking a federal waiver or waiver amendment, systems changes and rate changes. There could be significant client services savings from establishing a lower reimbursement for utilizing reused durable medical equipment in the Medicaid program. The extent of the costs and savings is unknown at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, MB, ES, VJC