

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 19, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB175** by Miller, Rick (Relating to the establishment of the Veterans Recovery Pilot Program to provide certain veterans with hyperbaric oxygen treatment.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB175, As Engrossed: a negative impact of (\$1,683,045) through the biennium ending August 31, 2017.

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
2016	(\$844,107)
2017	(\$838,938)
2018	(\$838,938)
2019	(\$838,938)
2020	(\$838,938)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$844,107)	1.5
2017	(\$838,938)	1.5
2018	(\$838,938)	1.5
2019	(\$838,938)	1.5
2020	(\$838,938)	1.5

Fiscal Analysis

The bill would add a chapter to the Health and Safety Code to establish the Veterans Recovery Pilot Program to provide certain veterans with hyperbaric oxygen treatment. The Department of State Health Services (DSHS) would be authorized to operate the pilot program, which would provide diagnostic services, hyperbaric oxygen treatment, and support services free of charge to

eligible Texas veterans who have post-traumatic stress disorder (PTSD) or a traumatic brain injury. DSHS would be authorized to appoint an advisory board.

The bill would create the Veterans Recovery Account, a dedicated account in the general revenue fund, funded with gifts, grants, donations, and interest earned on funds in the account. Funds in the account would be expended only for administration of the Veterans Recovery Program, including eligible veterans' travel and living expenses, if travel for treatment is necessary. Facilities providing the medical care would be required to submit a treatment plan to be approved by DSHS in order to be eligible for reimbursement. Approval of treatment plans by DSHS would be dependent on the availability of funds in the new dedicated account. DSHS would be required to submit a biennial evaluation of the program to the legislature. The chapter would expire September 1, 2021.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Although the bill would not require DSHS to operate the pilot program if funds were not available in the Veterans Recovery Account, this analysis estimates what the costs would be if DSHS implemented the pilot program. Calculations assume the following estimates from DSHS: there are 180,000 Texas veterans with PTSD or traumatic brain injury, and eligible veterans would receive 30 treatments at \$200 per treatment (\$6,000) per year. This analysis assumes that 100 eligible veterans per year would receive services through the pilot program. This analysis assumes that one-fourth of those served would also incur travel expenses, estimated at \$4,230 per person for the entire treatment period.

It is estimated that 1.5 FTEs (one program specialist and 0.5 contract specialist) would be required to operate the pilot program. FTE costs including benefits, total \$138,357 in fiscal year 2016, and \$133,188 each year thereafter. Treatment-related services would total \$600,000 per year, and \$105,750 per year is estimated for travel-related expenses. The total cost of the pilot program would be \$844,107 in fiscal year 2016 and \$838,938 each year thereafter. The analysis does not assume any gifts, grants or donations to the new Veterans Recovery GR-Dedicated account. Although authorized in the bill, this analysis does not include any amounts related to third-party reimbursements. Therefore, it is assumed that any costs associated with the program would be funded with General Revenue.

Technology

Technology costs of approximately \$5,000 per fiscal year, related to additional FTEs at DSHS, are included in the costs above.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 537 State Health Services, Department of, 529 Health and Human Services Commission

LBB Staff: UP, NB, WP, VJC, SD, SS, KVe