

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 20, 2015**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB839** by Naishtat (Relating to eligibility for Medicaid and the child health plan program for certain children.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB839, As Engrossed: a negative impact of (\$682,074) 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	(\$257,500)
2017	(\$424,574)
2018	(\$765,278)
2019	(\$773,842)
2020	(\$818,661)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> <b>1</b>	Probable Savings/(Cost) from <i>GR Match For Title XXI</i> <b>8010</b>	Probable Savings/(Cost) from <i>Federal Funds</i> <b>555</b>
2016	(\$257,500)	\$0	(\$772,500)
2017	(\$418,021)	(\$6,553)	(\$639,861)
2018	(\$753,573)	(\$11,705)	(\$1,151,437)
2019	(\$761,959)	(\$11,883)	(\$1,164,866)
2020	(\$771,543)	(\$47,118)	(\$1,142,331)

**Fiscal Analysis**

The bill would require the executive commissioner of the Health and Human Services Commission (HHSC) to adopt rules providing for presumptive eligibility for Medicaid and the Children's Health Insurance Program (CHIP) for children released from certain juvenile justice settings.

Further, HHSC would be required to reinstate the health benefits coverage of a child released from a juvenile facility within 48 hours after notification of the child's release. The juvenile facility would be required to notify HHSC within 30 days after the child's release from confinement. The agency would be directed to seek any necessary federal waiver or authorization and could delay implementation of any provision until such waiver or authorization is granted.

The executive commissioner of HHSC would be required to adopt rules related to the bill by January 1, 2016.

### **Methodology**

This analysis estimates that there would be one-time costs for modifications to the Texas Integrated Eligibility and Redesign System (TIERS) of \$1.0 million in fiscal year 2016. It is assumed there would be additional costs to provide Medicaid or CHIP benefits to eligible children beginning in fiscal year 2017. It is assumed that the number of children who would be found presumptively eligible and later determined ineligible for the programs would be small. There would also be an increase to the number of children enrolled in the programs who were previously eligible but unenrolled. There would also be a number of children whose eligibility is reinstated that would otherwise be discontinued. The cost to provide services to these children is estimated to be \$1.1 million in fiscal year 2017, \$1.9 million in fiscal year 2018 and increase slightly to \$2.0 million in fiscal year 2020. There would be a minimal increase to premium tax revenue beginning in fiscal year 2017.

### **Technology**

There would be one-time costs for system modification to TIERS totaling \$1.0 million in fiscal year 2016.

### **Local Government Impact**

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

### **Source Agencies:**

**LBB Staff:** UP, NB, WP