

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 29, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1393 by Turner, Sylvester (Relating to the establishment of a home and community-based services program under Medicaid for certain persons with severe and persistent mental illness.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time because the number of persons covered, annual cost of coverage, and implementation timeline are unknown; however, a significant cost is anticipated.

The bill would require the Health and Human Services Commission (HHSC), in conjunction with the Department of State Health Services (DSHS), to establish a 1915(i) home and community-based services Medicaid waiver for certain persons with severe and persistent mental illness who are at the greatest risk for institutionalization. The Department of State Health Services estimates an annual cost of approximately \$130,000 per enrolled person based on the fiscal analysis for an adult mental health 1915(i) waiver currently pending federal approval; however, the actual cost would depend on the needs of the specific clients enrolled in the waiver and the benefits available, which are not specified in the bill. DSHS estimates that up to 2,000 persons could be covered under the proposed waiver; however, some of those persons would also be eligible for the waiver that is currently pending federal approval and could enroll in either, reducing costs for one. Actual enrollment in the program cannot be estimated at this time. Illustratively, if an additional 2,000 people were provided services as a result of this bill, at an annual cost of \$130,000, annual expenditures of \$260 million in All Funds (approximately \$112 million in General Revenue Funds) would result when the waiver reaches full enrollment. It is likely that it would take at least a year for the proposed waiver to receive federal approval and it would likely take an additional year to reach full enrollment. DSHS also indicates a need for additional staffing; however, it is assumed those costs can be absorbed within the available resources of the agency. HHSC also anticipates costs related to implementing this waiver, but is unable to provide a specific cost estimate.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: UP, NB, WP, LR