

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 18, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1541 by Burkett (Relating to peer specialists, peer services, and the provision of those services under the medical assistance program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1541, As Engrossed: a negative impact of (\$1,607,438) 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	(\$129,000)
2017	(\$1,478,438)
2018	(\$2,571,320)
2019	(\$2,624,899)
2020	(\$2,691,206)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from Federal Funds 555	Change in Number of State Employees from FY 2015
2016	(\$129,000)	(\$1,161,000)	0.0
2017	(\$1,478,438)	(\$1,775,463)	3.0
2018	(\$2,571,320)	(\$3,184,648)	6.1
2019	(\$2,624,899)	(\$3,259,074)	6.1
2020	(\$2,691,206)	(\$3,346,929)	6.1

Fiscal Analysis

The bill would add peer support services provided by certified mental health and substance abuse peer specialists to the covered services in the Medicaid program. The bill would require the Health and Human Services Commission (HHSC) to adopt rules related to the peer specialists to address certification and supervision requirements and scope of services. The bill would require HHSC to

establish a separate provider type for peer specialists to allow for enrollment and reimbursement as Medicaid providers.

The bill would direct HHSC to request any federal waiver or authorization necessary to implement the provisions of the bill and authorizes the agencies to delay implementation of any provision until such waiver or authorization is granted. The bill would take effect immediately if a two-thirds majority vote in both houses of the Legislature is received. Otherwise, the bill would take effect on September 1, 2015.

Methodology

This analysis assumes that system modifications would occur in fiscal year 2016 and fiscal year 2017 would serve as a transition year. There are currently 300 peer specialists in Texas. According to HHSC, the Medicaid management information system (MMIS) would need to be modified to add the new provider type and benefit, for a one-time cost of \$1.3 million in fiscal year 2016. Annual recurring costs for MMIS would be \$0.8 million in fiscal years 2017-2020.

The assumed monthly caseload is estimated to be 1,632 in fiscal year 2017, 3,375 in fiscal year 2018, and a continual increase in fiscal years 2019-2020. The assumed monthly cost per recipient month is estimated to be \$108.33. The caseload related All Funds cost is assumed to be \$2.1 million in fiscal year 2017, \$4.4 million in fiscal year 2018, \$4.5 million in fiscal year 2019, and \$4.7 million in fiscal year 2020. These costs are assumed to be matched at FMAP.

While the bill does not specifically require HHSC to provide the training and certification program, it is assumed that HHSC will provide this service. Based on analysis provided by HHSC, 3 FTEs would be required to implement the provisions of the bill in fiscal year 2017 to prepare the new certification program. In 2018-2010, an additional 3.1 FTEs (for a total of 6.1 FTEs) would be required for ongoing operations to support the new provider type and services. FTE related costs would be \$290,153 in fiscal year 2017, \$526,641 in fiscal year 2018, and \$505,543 in fiscal years 2019 and 2020.

Technology

The FTE-related technology cost for program staff to manage the new benefit is estimated as \$10,261 in FY 2017, \$23,339 in FY 2018, \$24,068 in FY 2019 and FY 2020.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CH, NB, WP, SS, LR