

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: HB3523 by Raymond (Relating to improving the delivery and quality of Medicaid acute care services and long-term care services and supports.), **As Engrossed**

The fiscal implications of the bill cannot be determined at this time, due to the lack of specific estimates of both reduced revenue and potential lost savings and related to the delay of transition of certain programs into managed care.

The bill would delay the start date for certain pilot programs from not later than September 1, 2016 to not later than September 1, 2017 and allows the pilot programs to operate for up to 24 months instead of requiring that they operate for a full 24 months. It is assumed that these changes will not affect any cost associated with operating the pilot programs, but these provisions could shift the costs between fiscal years if they begin later or operate for a shorter period of time.

The bill would allow the Department of Aging and Disability Services (DADS) to contract directly with providers participating in certain long-term-care waivers to provide certain attendant and habilitation services through the STAR+PLUS program and gives the agency regulatory and oversight authority over those providers for the delivery of those services. According to the Health and Human Services Commission (HHSC), any cost associated with these provisions can be absorbed within available resources of DADS and HHSC.

The bill would delay the transition to managed care of services provided to persons enrolled in the Texas Home Living Waiver (TxHmL) from not later than September 1, 2017 to on or after September 1, 2018, and makes the transition optional. Further, the bill would delay by at least one year (from no later than September 1, 2020 to no sooner than September 1, 2021) the transition date for the carve-into managed care of services provided to individuals with intellectual and developmental disabilities who receive care in intermediate care facilities other than a state supported living center or a Medicaid waiver program other than TxHmL, and makes this transition optional as well. Any savings that may have been achieved by providing services through managed care will be delayed or not realized (if the transitions are not implemented). Additionally, delaying or not implementing the transitions into managed care will result in the loss of premium tax revenue. Savings and revenue associated with the provision of TxHmL services will be lost in fiscal years 2017 and 2018 at a minimum, and may be lost in later fiscal years if the transition is further delayed or not implemented. Also, savings and revenue associated with the provision of services for persons receiving care in intermediate care facilities or other waivers will be lost in fiscal years 2020 and 2021, and may be lost in later fiscal years if the transition is further delayed or not implemented. Specific estimates of lost savings and reduced revenue cannot be provided.

Additionally, the bill requires HHSC to conduct an assessment of the outcomes of the TxHmL transition and include those findings in the annual report to be submitted by September 30th of each year. Based on analysis provided by HHSC, the first required evaluation of the TxHmL waiver transition, due by September 30th, would be delayed due to a six-month data delay. It is assumed that DADS and HHSC can accomplish this provision of the bill within existing resources.

Finally, the bill would amend the requirements and responsibilities related to the Intellectual and Developmental Disability System Redesign Advisory Committee. The bill would require HHSC to analyze the outcomes of providing acute care Medicaid benefits to individuals with intellectual and developmental disabilities under managed care. It is assumed that HHSC can accomplish this provision of the bill within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

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