

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

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

**February 24, 2015**

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

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

**IN RE: SB553** by Schwertner (Relating to the informal dispute resolution process for certain disputes between the Department of Aging and Disability Services and certain long-term care facilities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB553, As Introduced: an impact of \$0 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	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

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

Fiscal Year	Probable Savings from <i>General Revenue Fund</i> <b>1</b>	Probable (Cost) from <i>General Revenue Fund</i> <b>1</b>	Probable Savings from <i>Federal Funds</i> <b>555</b>	Probable (Cost) from <i>Federal Funds</i> <b>555</b>
2016	\$181,419	(\$181,419)	\$544,257	(\$544,257)
2017	\$181,419	(\$181,419)	\$544,257	(\$544,257)
2018	\$181,419	(\$181,419)	\$544,257	(\$544,257)
2019	\$181,419	(\$181,419)	\$544,257	(\$544,257)
2020	\$181,419	(\$181,419)	\$544,257	(\$544,257)

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2015</b>
2016	(10.0)
2017	(10.0)
2018	(10.0)
2019	(10.0)
2020	(10.0)

## **Fiscal Analysis**

The bill would amend the Government Code as it relates to the informal dispute resolution process for certain disputes between the Department of Aging and Disability Services (DADS) and certain long-term care facilities. Under the provisions of the bill, the Health and Human Services Commission (HHSC) would be required to contract with a private nonprofit organization to adjudicate disputes between facilities licensed under Chapter 242, Health and Safety Code, and DADS. The bill would direct state agencies 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**

Based on HHSC's analysis, the net cost to implement the provisions of the bill is \$0.

The agency estimates it would save \$554,009 in All Funds in salaries, travel, and salary contribution costs annually and a reduction of 11 FTEs. There would also be a savings of \$171,667 in benefit costs. The total All Funds savings is estimated to be \$725,676 annually.

The new contract is assumed to cost \$650,503 in All Funds annually and the agency would require 1 FTE to monitor the vendor contract and provide reporting data into federal databases. The FTE is estimated to cost \$75,173 in All Funds annually, including \$18,181 for fringe benefits. The total All Funds cost is estimated to be \$725,676 annually.

## **Local Government Impact**

No significant 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, NB, WP, CH, SJ, KVe