

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 16, 2015

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

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

**IN RE: SB1382** by Lucio (Relating to regulation of prescribed pediatric extended care centers; amending a provision subject to a criminal penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1382, As Introduced: a negative impact of (\$320,475) through the biennium ending August 31, 2017, increasing to an estimated (\$1,643,842) through the biennium ending August 31, 2019.

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	(\$320,475)
2018	(\$657,537)
2019	(\$986,305)
2020	(\$1,183,566)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555
2016	\$0	\$0
2017	(\$320,475)	(\$424,815)
2018	(\$657,537)	(\$871,263)
2019	(\$986,305)	(\$1,306,895)
2020	(\$1,183,566)	(\$1,568,274)

Fiscal Analysis

The bill would amend Health and Safety Code relating to regulation of Prescribed Pediatric Extended Care Centers (PPECCs). Applicants for PPECC licenses would be prohibited from providing services until the license is issued by the Department of Aging and Disability Services

(DADS). DADS would be required to conduct necessary inspections concurrently. The bill would allow minors to receive services in PPECCs and transportation to and from PPECCs without accompaniment. Medicaid reimbursement rates, which are currently required to be no more than 70 percent of the average hourly unit rate for private duty nursing provided under the Texas Health Steps Comprehensive Care Program, would be required to exclude transportation costs. The agencies would be required to seek any necessary federal waiver or authorization and could delay implementation of any provision until such waiver or authorization is granted.

**Methodology**

DADS does not anticipate significant costs associated with the regulatory provisions of the bill.

According to the Health and Human Services Commission (HHSC), which establishes Medicaid reimbursement rates, there would be an increased cost associated with allowing for reimbursement of transportation costs in addition to the reimbursement rate for PPECCs. HHSC anticipates PPECCs will begin being reimbursed under Medicaid on September 1, 2016 and estimates 25,350 days will be reimbursed in fiscal year 2017. The number of days reimbursed is expected to more than double in fiscal year 2018 to 52,000 and continue increasing in each subsequent fiscal year, reaching 93,600 by fiscal year 2020. HHSC estimates a round-trip transportation rate of \$29.40 for each day of service. The estimated All Funds cost would be \$0.7 million in fiscal year 2017 increasing to \$2.8 million in fiscal year 2020. It is assumed that federal matching funds would be available based on the Federal Medical Assistance Percentage (FMAP), assumed to be 57.00 percent in fiscal year 2017 and 56.99 percent in fiscal year 2018 and beyond. The resulting cost to General Revenue Funds would be \$0.3 million in fiscal year 2017 increasing to \$1.2 million by fiscal year 2020.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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