

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 18, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1622** by Thompson, Senfronia (Relating to the personal needs allowance for certain Medicaid recipients who are residents of long-term care facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1622, As Introduced: a negative impact of (\$12,844,072) 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
2018	(\$6,427,585)
2019	(\$6,416,487)
2020	(\$6,455,458)
2021	(\$6,499,646)
2022	(\$6,544,602)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555
2018	(\$1,938,420)	(\$4,489,165)	(\$5,907,635)
2019	(\$1,938,420)	(\$4,478,067)	(\$6,018,633)
2020	(\$1,938,420)	(\$4,517,038)	(\$6,081,362)
2021	(\$1,938,420)	(\$4,561,226)	(\$6,140,854)
2022	(\$1,938,420)	(\$4,606,182)	(\$6,201,378)

Fiscal Analysis

The bill would increase the personal needs allowance for Medicaid-enrolled residents of nursing facilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) from a minimum of \$60 per month to a minimum of \$75 per month.

Methodology

A projected 68,529 average monthly Medicaid recipients will reside in nursing facilities or ICFs/IID (including State Supported Living Centers, SSLCs) in fiscal year 2018, increasing each fiscal year to 70,811 by fiscal year 2022. It is assumed that the personal needs allowance for each of these recipients would be increased by \$15 per month, from the current payment of \$60 per month to the new minimum of \$75 per month; there would be an additional cost to increase the monthly payment above the revised minimum.

An estimated 10,769 recipients in fiscal year 2018 and beyond have incomes of less than \$60 per month; the \$15 monthly increase for these recipients would be funded entirely with General Revenue Funds, an estimated cost of \$1.9 million in each fiscal year. The monthly increase for the remaining recipients would be a reduction to applied income, increasing the average monthly cost of care for these recipients. The increased costs would be matched with Federal Funds based on the Federal Medical Assistance Percentage (FMAP) at an estimated cost of \$10.4 million in All Funds, including \$4.5 million in General Revenue Match for Medicaid Funds in fiscal year 2018, increasing each fiscal year to \$10.8 million in All Funds, including \$4.6 million in General Revenue Match for Medicaid Funds by fiscal year 2022.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, KCA, LR, RGU