

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 28, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1770** by Muñoz, Jr. (Relating to establishing caseload standards for certain care coordinators under the Medicaid managed care program.), **As Introduced**

Depending upon the caseload standards adopted by the Commission and the amount of increase in capitation rates paid to MCOs, there would be an indeterminate cost to the state.

The bill would amend the Government Code to require the Health and Human Services Commission (HHSC) to establish caseload standards for care coordinators employed by managed care organizations (MCOs) providing services to members of the STAR+PLUS Home and Community Based Services (HCBS) program. The bill would authorize the executive commissioner to establish caseload standards for MCO care coordinators providing services to members in other Medicaid programs, if determined appropriate by the commissioner. To make this determination, the executive commissioner would be required to consider whether caseload standards would improve MCO contract compliance, the quality and consistency of care coordination, and the transparency of the availability of care coordination benefits.

HHSC expects that establishing caseload standards for care coordinators would require MCOs to make changes to current service coordination practices and would result in costs related to hiring additional staff and making system changes. According to HHSC, the magnitude of those changes would likely vary by MCO and cannot be determined until the standards are established. As such, HHSC does not have the information necessary to make appropriate assumptions to determine the fiscal impact. The magnitude of the fiscal impact would depend on which programs are included in HHSC's caseload standards and the difference between the new standards and current practices. The timing of such changes would depend in part on when rules are effective and the rate setting process. Depending on how HHSC implements these options, fiscal impacts may not occur until the second fiscal year of the biennium or later.

This provisions would take effect immediately if the bill received a vote of two-thirds of all the members elected to each house. Otherwise the provisions would be effective September 1, 2017.

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, JJ, KMc, TBo, LR

