

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 27, 2017**

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

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

**IN RE:** **HB3151** by Sheffield (Relating to demonstration projects to coordinate eligibility renewal and eligibility recertification for certain children in the Medicaid and child health plan programs.), **Committee Report 1st House, Substituted**

**The fiscal implications of the bill cannot be determined at this time but a significant fiscal impact would be anticipated in fiscal years 2018 through 2021.** Insufficient information is available to estimate the impact to caseload associated with the provisions of the bill.

The bill would require the Health and Human Services Commission (HHSC) to establish a demonstration project, not later than September 1, 2018, under the Children's Health Insurance Program (CHIP) and Medicaid. The demonstration project must develop and test solutions to simultaneously recertify, renew, and verify household income for multiple children within the same household who are eligible for enrollment. Additionally, the demonstration project must include participation from certain categories of households. HHSC would be permitted to establish the demonstration project in one or more geographic areas and form partnerships with entities experienced in outreach, application assistance, and enrolling recipients into health insurance plans. HHSC would be required to submit a report to the legislature regarding the demonstration project. Statutory authority related to the demonstration project would expire September 1, 2021. The bill would be effective immediately upon a two-thirds vote of all members elected to each house; otherwise, the bill would be effective September 1, 2017.

According to HHSC, there would be a one-time cost of \$0.9 million in All Funds, including \$0.3 million in General Revenue Funds, in fiscal year 2018 for modifications to Texas Integrated Eligibility Redesign System (TIERS). The fiscal impact to client services associated with the provisions of the bill cannot be determined at this time. Insufficient information is available to determine the scope of the demonstration projects and what would be allowable under federal law; this information would be necessary to estimate any caseload impact, which would be expected to have a significant fiscal impact in fiscal years 2019 through 2021. It is assumed any costs associated with adoption of rules and reporting can be absorbed within the available resources of the agency.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Health and Human Services Commission

**LBB Staff:** UP, KCA, LR, RGU