

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

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

**April 14, 2017**

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

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

**IN RE: HB3295** by Klick (Relating to the delivery of certain Medicaid services to persons with an intellectual or developmental disability.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time because no information is available on the cost or savings associated with the managed care programs affected by the provisions of the bill.

The bill would delay the conclusion of pilot programs implemented pursuant to Government Code, Chapter 534, Subchapter C from September 1, 2018 to September 1, 2019. The bill would delay the transition of Texas Home Living waiver participants into a managed care program by two years from September 1, 2018 to September 1, 2020.

Under the provisions of the bill, pilot programs could continue to operate in fiscal year 2019. Because the pilot programs have not yet been implemented, any cost or savings associated with them cannot be determined. Under the provisions of the bill, any cost or savings could presumably be experienced for up to an additional year (fiscal year 2019) depending on how long they continued to operate. Pilot programs may operate for up to 24 months and it is not known how long they would continue to operate in fiscal year 2019.

The fiscal impact of delaying the transition of Texas Home Living waiver participants into managed care cannot be determined. The fiscal impact of moving participants into managed care is unknown at this time and would be dependent on assumptions made by the Health and Human Services Commission during the rate-setting process. There are costs associated with capitation, including new administrative costs and payment of the Health Insurance Provider Fee pursuant to the federal Affordable Care Act. Whether those costs would be offset by medical savings and increased premium tax revenue is unknown at this time. Under the provisions of the bill, any fiscal impact from moving participants into managed care would be delayed by two years. If there were a cost associated with the transition into managed care, there would be a savings in fiscal years 2019 and 2020 from delaying that cost. If there were a savings associated with the transition into managed care, there would be a cost in fiscal years 2019 and 2020 from delaying that savings.

**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, TBo