

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

February 2, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective, and prevention and early intervention services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, As Introduced: a negative impact of (\$3,074,772) 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	(\$1,969,836)
2019	(\$1,104,936)
2020	(\$1,104,936)
2021	(\$1,104,936)
2022	(\$1,104,936)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Change in Number of State Employees from FY 2017
2018	(\$1,947,949)	(\$21,887)	(\$218,871)	12.0
2019	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0
2020	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0
2021	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0
2022	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the administration of services provided by the Department of Family and Protective Services (DFPS), including foster care, child protective, and prevention and early intervention services.

The bill would require DFPS to collect and monitor data regarding repeated reports of abuse or neglect.

The bill would require the agency to contract with managed care organizations (MCOs) to create medical and behavioral health assessments for children removed from their home.

The bill would require DFPS to create a foster care capacity plan, to establish a pilot program related to the implementation of integrated case management, and to implement the single child plan of service model in the foster care legacy system of the state.

The bill would require DFPS to develop and implement a formal readiness review process for Foster Care Redesign (FCR) vendors, to transfer fully case management services to existing and future Single-Source Continuum Contractors (SSCCs), and to establish a pilot program to contract Family Based Safety Services case management.

The bill would require the agency to complete certain risk assessments, to contract for efficacy reviews in certain Prevention and Early Intervention (PEI) programs, and to add certain reporting requirements to the agency's PEI strategic plan.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC).

The bill would require managed care organizations (MCOs) under STAR Health and contracted child-placing agencies (CPAs) to ensure that at least 90 percent of children receive a complete early and periodic screening, diagnosis, and treatment (EPSDT) checkup within 30 days. HHSC would be required to include provisions in contracts with MCOs and CPAs specifying monetary penalties if the benchmark is not attained.

The bill would require DFPS to regularly review record retention policies and to create a division within the agency to oversee FCR quality and assurance.

The bill would allow DFPS or HHSC to assess financial penalties for residential child-care providers' failure to meet certain performance outcomes.

The bill would require the agency to contract and collaborate with certain entities to develop performance quality metrics for service provider contracts.

Except as otherwise specified, this bill would take effect September 1, 2017.

Methodology

According to DFPS and HHSC, all of the duties and responsibilities associated with implementing the provisions of the bill related to the monitoring reports of abuse or neglect, the creation of a foster care capacity report, the completion of formal FCR readiness review process, the addition of PEI strategic plan reporting, and the development of PEI performance quality metrics for service providers could be accomplished by utilizing existing agency resources.

This fiscal note assumes that the cost to implement a pilot region for integrated case management

and the single child plan of service model in the legacy system of the state should not result in a cost to the state as these requirements are already established.

Because the STAR Health contract already requires an initial medical checkup within 30 days, it is assumed there would be no cost from this requirement; however, because HHSC has the authority to set rates, including to establish MCO premiums, there could ultimately be a cost if HHSC decides to increase STAR Health premiums under the assumption that the requirement would result in an increase in health services provided. It is assumed that the benchmark would be met and not result in any increased revenue from assessment of penalties.

This fiscal note analysis also assumes that the requirement to keep Child Care Licensing investigation at DFPS would result in a net zero net impact to the state, as the increased costs to DFPS would be offset by a corresponding decrease in costs at HHSC. Similarly, this analysis assumes any cost to transfer or contract related case management services and program efficacy reviews would be offset by corresponding savings at the agency.

Furthermore, this fiscal note analysis assumes that the additional duties related to the record retention requirements could be accomplished by utilizing existing agency resources and do not result in an increased cost to the state.

According to DFPS, the agency would have an additional cost of \$600,000 related to the creation of the medical and behavioral health assessment in the agency's Information Management Protecting Adults and Children in Texas (IMPACT) system. Similar to the initial medical checkup, if the MCOs end up incurring costs related to the creation of this assessment, HHSC could ultimately raise the related rates.

This analysis also assumes that there would be a similar one-time cost of \$300,000 to build a PEI risk assessment tool in Geographic Information Systems (GIS) based on similar project costs incurred by other agencies across the state. This analysis also assumes an additional one-time cost of \$1,600 and ongoing cost of \$50,000 per year plus benefits assumed at 35.12 percent to support 1.0 Full-time Equivalent (FTE) for an in-house GIS specialist.

Finally, this analysis assumes that in order to create a new division within the agency to oversee FCR quality and assurance, the agency would require 10.0 additional direct delivery FTEs along with 1.0 supervisor. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits assumed at 35.12 percent with an additional one-time set up cost of \$5,400 per FTE to align with the cost per FTE estimates provided by DFPS in their fiscal year 2017 critical needs request.

Technology

Technology costs are estimated to be \$919,200 in the 2018-19 biennium for one-time implementation costs. This includes \$600,000 for upgrades to IMPACT, \$300,000 for the new risk-assessment tool in GIS, and \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas

System Administration, 781 Higher Education Coordinating Board

LBB Staff: UP, KCA, EP, JLi, SD, LR, RC