

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION
Revision 1

April 25, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB12 by Davis, Sarah (Relating to early childhood intervention services.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB12, Committee Report 1st House, Substituted: a negative impact of (\$1,672,003) through the biennium ending August 31, 2021.

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
2020	(\$1,028,640)
2021	(\$643,363)
2022	(\$643,363)
2023	(\$643,363)
2024	(\$56,559)

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 2019
2020	(\$849,082)	(\$179,558)	(\$439,558)	3.0
2021	(\$581,934)	(\$61,429)	(\$256,429)	3.0
2022	(\$581,934)	(\$61,429)	(\$256,429)	3.0
2023	(\$581,934)	(\$61,429)	(\$256,429)	3.0
2024	\$0	(\$56,559)	(\$56,559)	1.0

Fiscal Analysis

Early Childhood Intervention Program

The bill would require HHSC to designate an ombudsman for providers of ECI services.

The bill would require HHSC to seek direction from the Centers for Medicare and Medicaid Services on the reimbursement methodology that may be used for the provision of ECI case management services. The provision would expire September 1, 2021.

The bill would require HHSC to apply for federal funding to establish a workforce development grant program for ECI providers.

The bill would require HHSC to seek guidance from applicable federal partners regarding the feasibility of providing ECI Services under Medicaid to children who are otherwise ineligible to receive services under the Medicaid program. After receipt of guidance, HHSC would be required to submit a report on how best to provide coverage for ECI services for these children.

The bill would require HHSC to conduct a financial evaluation of ECI services and submit a report on the evaluation no later than September 1, 2020.

The bill would require HHSC to issue guidance to health benefit plan issuers clarifying how providers of ECI services must file claims.

Tele-Connective Pilot Program

The bill would require HHSC to develop and implement a tele-connective pilot program to provide ECI services through telehealth and telemedicine in one or more education service center regions. In regard to the pilot program, the bill would require HHSC to:

- coordinate with the Texas Education Agency (TEA) to select education service center regions in which to implement the pilot program. TEA would also be required to develop a training on the pilot program for school district employees;
- conduct an evaluation of the pilot program no later than September 1, 2020;
- seek federal funding to support the pilot program; and
- submit a report on the program by January 1, 2021.

The requirement for HHSC to conduct an evaluation of the pilot program would expire on January 1, 2021. The remainder of the provision would expire on September 1, 2023.

The bill would take effect September 1, 2019.

Methodology

Early Childhood Intervention Program

The analysis assumes HHSC would require 1.0 Ombudsman V to serve as an ombudsman for providers of ECI services. Total FTE costs are estimated to be \$119,524 in All Funds, including \$59,762 in General Revenue, in fiscal year 2020 and \$113,118 in All Funds, including \$56,559 in

General Revenue, in fiscal years 2021 through 2024.

The analysis assumes HHSC will contract with a third party to conduct the financial evaluation of the ECI program, at a one-time cost of \$300,000 in All Funds, including \$202,605 in General Revenue, in fiscal year 2020.

Tele-Connective Pilot Program

The analysis assumes development and setup of the tele-connective pilot program would occur during September through December 2019; services would begin on January 1, 2020; and the pilot program would end on August 31, 2023. The analysis assumes the pilot program would be implemented in two education service center regions (10.0 percent), with five access points per region, for a total of ten access points. Due to federal requirements for ECI services to occur in the child's natural environment, the analysis assumes families would be in their homes and ECI service providers would be at the access point. The analysis assumes 1,000 families with children enrolled in ECI who have a developmental delay in one area (10.0 percent) would receive services through the pilot program each year between fiscal years 2020 and 2023. The analysis assumes each participating family would require a tablet, estimated to cost \$400 each, and that tablets would be used throughout the length of the pilot, for a total one-time cost of \$400,000 in All Funds, including \$270,000 in General Revenue, in fiscal year 2020. The analysis also assumes each participating family would require an internet connection, estimated to cost \$600 per year, for a total cost of \$400,000 in All Funds, including \$270,000 in General Revenue, in fiscal year 2020 and \$600,000 in All Funds, including \$405,000 in General Revenue, in fiscal years 2021 through 2023. The analysis assumes each of the ten access point would have five provider stations, for a total of 50 stations. Each station would include a computer, webcam, software, and headphones. The analysis assumes computer, webcam, and headphones would be used throughout the length of the pilot. One-time costs for the equipment, combined with one year of software is estimated to cost \$1,380 per station, for a total cost of \$69,000 in All Funds, including \$46,599 in General Revenue, in fiscal year 2020. Estimated out-year costs for software are estimated to be \$15,000 in All Funds, including \$10,130 in General Revenue, for fiscal years 2021 through 2023. Total costs for HHSC for the pilot program are estimated to be \$869,000 in All Funds, including \$586,599 in General Revenue, in fiscal year 2020 and \$615,000 in All Funds, including \$415,130 in General Revenue, in fiscal years 2021 through 2023.

The analysis assumes TEA would require 2.0 Program Specialist V to ensure adequate operation of access points, create the training for school district personnel, and perform oversight and administrative functions. Total FTE costs are estimated to be \$179,674 in General Revenue in fiscal year 2020 and \$171,674 in General Revenue in fiscal years 2021 through 2023.

Technology

Program-related technology costs are estimated to be \$869,000 in All Funds, including \$586,599 in General Revenue, in fiscal year 2020 and \$615,000 in All Funds, including \$415,130 in General Revenue, in fiscal years 2021 through 2023 for tablets, access point stations, and internet service.

FTE-related technology costs are estimated to be \$1,646 in All Funds, including \$823 in General Revenue, in fiscal year 2020.

Local Government Impact

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

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 529 Health and Human Services Commission, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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