

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

February 18, 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: HB25 by González, Mary (Relating to the provision of services to certain children under the Medicaid medical transportation program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB25, As Introduced: a negative impact of (\$13,168,934) 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	(\$4,310,675)
2021	(\$8,858,259)
2022	(\$9,110,032)
2023	(\$9,362,147)
2024	(\$9,614,595)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2020	(\$4,310,675)
2021	(\$8,858,259)
2022	(\$9,110,032)
2023	(\$9,362,147)
2024	(\$9,614,595)

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to provide, and reimburse for, medical transportation program services to children younger than 13 years of age if the child's mother is a recipient of Medicaid during a pregnancy and is using the medical transportation program for travel to and from a covered pregnancy service, including postpartum care.

Methodology

According to HHSC, \$8.9 million in medical transportation program costs for fiscal year 2016 were attributable to pregnant women. HHSC assumes (1) there would be a cost per child equal to the cost of the service provided to a pregnant woman and (2) on average two children would accompany their mother for 33 percent of services (100 percent for air travel and meals) for a total estimated cost of services of \$6.1 million. In addition to the cost of services, capitation costs would be equal to 1.5 percent of premium for risk margin and 25 percent for medical transportation organization administrative costs, or \$2.2 million. HHSC assumes these costs would be trended forward and that services would begin in March 2020, yielding a cost of \$4.3 million in fiscal year 2020 and \$8.9 million in fiscal year 2021 increasing in each subsequent year to \$9.6 million in fiscal year 2024. It is assumed that the program would be fully funded through General Revenue Funds due to current federal regulations; however, if HHSC were able to obtain a federal waiver, federal matching funds could be available to reduce the General Revenue cost. It is assumed any administrative costs at HHSC could be absorbed by 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: WP, AKi, LR, ND, TBo