

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

February 23, 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: HB72 by White (Relating to the continuation of Medicaid benefits provided to certain children adopted from the conservatorship of the Department of Family and Protective Services.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time but a significant cost to General Revenue Funds would be expected. Insufficient information is available to determine how many children might be eligible for the benefits identified in the bill.

The bill would require the Department of Family and Protective Services (DFPS), subject to the availability of funds, to provide health benefit subsidies on behalf of adopted children who were in the conservatorship of DFPS at the time of the adoptive placement and who are eligible for Medicaid but not receiving benefits. According to DFPS, the number of children eligible for, but not receiving, Medicaid is unknown; therefore, the cost to provide a \$150 subsidy on behalf of those children cannot be determined.

The bill would also require the Health and Human Services Commission (HHSC) to develop and implement a program that would allow adopted children with chronic health conditions who were in the conservatorship of DFPS at the time of the adoptive placement, to continue receiving Medicaid benefits under STAR Health or another Medicaid managed care program. According to HHSC, the number of children with a chronic condition not currently receiving Medicaid is unknown; therefore, the cost to provide Medicaid benefits to those children cannot be determined. The fiscal year 2019 STAR Health premium, including pharmacy benefits, is \$880.57 for an annual cost per child enrolled of \$10,567. The cost of benefits for even a small number of children would be significant, with additional administrative and technology costs associated with adding a new enrollment group and increased enrollment.

Additionally, the bill could be interpreted as allowing children currently receiving Medicaid to receive benefits through STAR Health instead of another managed care program, which could increase costs for those children due to higher service coordination costs in STAR Health. There are currently more than 50,000 children who are receiving adoption assistance enrolled in Medicaid. At a monthly cost of \$20 for increased service coordination, if all of those children opted into STAR Health the All Funds cost would exceed \$12.0 million each year.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

LBB Staff: WP, AKi, LR