

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 22, 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: HB1094** by Moody (Relating to the provision of counseling services by certain providers under Medicaid and reimbursement for those services.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1094, As Introduced: a negative impact of (\$2,835,871) 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	(\$66,500)
2021	(\$2,769,371)
2022	(\$3,598,509)
2023	(\$3,037,556)
2024	(\$3,222,746)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Foundation School Fund 193
2020	(\$66,500)	(\$66,500)	\$0	\$0
2021	(\$2,843,048)	(\$3,845,295)	\$55,258	\$18,419
2022	(\$3,747,880)	(\$4,055,857)	\$112,028	\$37,343
2023	(\$3,162,811)	(\$4,278,401)	\$93,941	\$31,314
2024	(\$3,353,036)	(\$4,517,695)	\$97,830	\$32,460

**Fiscal Analysis**

The bill would allow licensed master social workers (LMSWs) pursuing licensed clinical social worker designation and licensed professional counsel interns (LPC-I) pursuing licensed professional counselor licensure to deliver Medicaid covered services to Medicaid recipients. The bill would take effect September 1, 2019.

**Methodology**

The Health and Human Services Commission (HHSC) estimates the total Medicaid client services cost, including costs related to the Health Insurance Providers Fee, to be \$6.3 million in All Funds, including \$2.5 million in General Revenue Funds, in fiscal year 2021, increasing to \$7.5 million in All Funds, including \$3.0 million in General Revenue Funds, in fiscal year 2024, assuming implementation beginning September 1, 2020. The estimate assumes that billable units for LMSWs and LPC-I would be 25 percent of current Licensed Professional Counselor and Licensed Clinical Social Worker utilization levels based on data from the Texas Psychological Association indicating an intern would typically spend approximately 500 hours per year providing direct patient services.

According to HHSC, system modifications to claims administrator and auxiliary technology services necessary to implement the provisions of the bill are estimated to cost \$0.1 million in All Funds in fiscal year 2020.

Client services costs are assumed to result in an increase to insurance premium tax revenue, estimated to be 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in an estimated increase of \$0.1 million in fiscal year 2021, \$0.2 million in fiscal year 2022, and \$0.1 million in fiscal year 2023 and fiscal year 2024.

**Technology**

Total technology costs for system modifications to the Medicaid claims administrator processing system and auxiliary technology services are estimated at a one time cost of \$0.1 million in All Funds in fiscal year 2020.

**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, EP, MDI, LR