

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 25, 2019**

**TO:** Honorable Dan Huberty, Chair, House Committee on Public Education

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

**IN RE: HB1312** by Moody (Relating to the provision of on-campus mental health services by a school district and reimbursement under Medicaid for certain services provided to eligible students.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would allow school districts to contract with local mental health authorities (LMHAs) to provide mental health services on a campus of the district. LMHAs would be required to provide certain information to primary care physicians at the request of a parent or guardian. The Health and Human Services Commission (HHSC) would be required to allow a school district to enroll as a Medicaid provider to receive reimbursement for mental health services provided.

According to the Texas Education Agency, there would be no cost to that agency to implement the provisions of the bill.

According to HHSC, federal approval would be required to enroll school districts as a Medicaid provider since they are not considered health professionals. If approval were received, there would be a one-time cost for system modifications to add the new provider type. It is assumed the cost can be absorbed with the available resources of the agency. To the extent that the provisions of the bill result in increased utilization, there could be additional costs to the Medicaid program associated with that increase; however, any associated cost cannot be determined at this time because it is not known how many school districts might choose to participate or how many students would be affected.

**Local Government Impact**

There could be a significant administrative cost to school districts choosing to participate associated with enrolling as a Medicaid provider. Additionally, there may be a cost associated with credentialing with managed care organizations to provide behavioral health services and completing administrative activities related to mental health services, such as requesting prior authorization, submitting claims, and appealing denied claims if the LMHAs do not assume any of those responsibilities as part of the contract with the district. These costs may be more than offset by Medicaid reimbursements. LMHAs may also see increases in reimbursement.

**Source Agencies:**     529 Health and Human Services Commission, 701 Texas Education

Agency

**LBB Staff:** WP, HL, LR, ASa, RC