

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

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

**May 23, 2019**

**TO:** Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

**IN RE: HB1576** by Phelan (Relating to the delivery of certain transportation services under Medicaid and certain other health and human services programs. ), **As Passed 2nd House**

**The fiscal implications of the bill cannot be determined at this time. The bill may result in a cost.** The effect on utilization and cost of services is also unknown.

The bill would allow regional contracted brokers and managed transportation organizations that contract with the Health and Human Services Commission (HHSC) to subcontract with a transportation network company to provide certain medical transportation services for Medicaid and other health and human services programs. The bill would require Medicaid managed care organizations (MCOs) to arrange for the provision of nonmedical transportation services no later than September 1, 2020. The bill would take effect immediately if it receives a vote of two-thirds in each house. Otherwise, the bill takes effect September 1, 2019.

The fiscal impact of the bill cannot be determined; however, a significant cost would be anticipated. It is unknown whether regional contracted brokers and managed transportation organizations would elect to subcontract for the provision of services and if they did what the effect on utilization and cost might be. Requiring MCOs to arrange for the provision of nonmedical transportation services would likely require an increase in capitation payments, but an estimated cost is not available. Additionally, it is unknown what effect this provision might have on utilization of services.

**Local Government Impact**

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

**Source Agencies:**        529 Health and Human Services Commission, 304 Comptroller of Public Accounts

**LBB Staff:** WP, AKi, EP, MDI, JQ, BH