

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 19, 2019

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

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.), **Committee Report 2nd House, Substituted**

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. 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