

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

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

**March 10, 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: HB1647** by Deshotel (Relating to Medicaid reimbursement for dental services provided to adults with disabilities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1647, As Introduced: a negative impact of (\$93,587,534) 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	(\$948,283)
2021	(\$92,639,251)
2022	(\$63,431,779)
2023	(\$62,729,628)
2024	(\$64,599,950)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Foundation School Fund 193
2020	(\$948,283)	(\$1,095,417)	\$0	\$0
2021	(\$95,628,206)	(\$148,878,221)	\$2,241,716	\$747,239
2022	(\$70,082,610)	(\$109,106,518)	\$4,988,123	\$1,662,708
2023	(\$65,104,248)	(\$101,355,751)	\$1,780,965	\$593,655
2024	(\$67,541,759)	(\$105,150,689)	\$2,206,357	\$735,452

## **Fiscal Analysis**

The bill would require Medicaid reimbursement for dental services, including preventive dental services, for certain disabled adult recipients.

## **Methodology**

According to the Health and Human Services Commission (HHSC), the bill would expand access to non-emergency, preventive dental services for all STAR+PLUS members who meet certain disability criteria and live in a nursing facility or in the community and are not receiving home and community-based waiver-like services. Dental services provided under certain waiver would be transferred to the state plan.

According to HHSC, system changes and modification of rules would occur in fiscal year 2020 at a cost of \$2.0 million in All Funds, including \$0.9 million in General Revenue. Expanded dental services would be available effective September 1, 2020.

The affected average monthly caseload is estimated to be 630,268 in fiscal year 2021, increasing in each subsequent year to 658,282 in fiscal year 2024. The increased average monthly cost per recipient is estimated to be \$36.43 in fiscal year 2021, decreasing to \$27.29 in fiscal year 2022, \$24.92 in fiscal year 2023, and \$25.61 by fiscal year 2024. The higher costs in the first year are due to assumed pent-up demand. The estimated increased cost to client services would be \$244.5 million in All Funds, including \$95.6 million in General Revenue, in fiscal year 2021 decreasing in subsequent years to a range of \$166.4 million in All Funds, including \$65.1 million in General Revenue, to \$179.2 million in All Funds, including \$70.1 million in General Revenue in fiscal years 2022 to 2024.

The increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$3.0 million in fiscal year 2021, \$6.7 million in fiscal year 2022, \$2.4 million in fiscal year 2023, and \$2.9 million in fiscal year 2024. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

## **Technology**

According to the Health and Human Services Commission, there would be a \$2,043,700 cost in fiscal year 2020 in All Funds, including \$948,283 in General Revenue Funds, and \$16,000 in fiscal year 2021 through fiscal year 2024 for modifications to the Texas Integrated Eligibility Redesign System (TIERS) and claims system.

## **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, LR, KT