

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 3, 2019

TO: Honorable Senfronia Thompson, Chair, House Committee on Public Health

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

IN RE: HB1879 by Davis, Sarah (Relating to the automatic enrollment of certain women in Medicaid and the Healthy Texas Women program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1879, Committee Report 1st House, Substituted: a negative impact of (\$7,010,013) 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	(\$166,250)
2021	(\$6,843,763)
2022	(\$5,734,139)
2023	(\$1,607,468)
2024	(\$820,491)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from <i>GR Match For Medicaid 758</i>	Probable Savings from <i>Federal Funds 555</i>	Probable (Cost) from <i>General Revenue Fund 1</i>	Probable Revenue (Loss) from <i>General Revenue Fund 1</i>
2020	(\$166,250)	(\$498,750)	\$0	\$0
2021	\$883,802	\$1,216,992	(\$7,704,163)	(\$17,551)
2022	\$9,489,122	\$14,313,617	(\$14,574,606)	(\$486,491)
2023	\$15,538,654	\$23,546,237	(\$16,444,323)	(\$526,349)
2024	\$17,256,182	\$26,163,375	(\$17,324,728)	(\$563,959)

Fiscal Year	Probable Revenue (Loss) from Foundation School Fund 193
2020	\$0
2021	(\$5,851)
2022	(\$162,164)
2023	(\$175,450)
2024	(\$187,986)

Fiscal Year	Change in Number of State Employees from FY 2019
2020	0.0
2021	35.8
2022	35.8
2023	35.8
2024	35.8

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to provide for the automatic enrollment of certain women in certain Medicaid programs into the Healthy Texas Women (HTW) program or vice versa, subject to the eligibility requirements of each program.

Methodology

HHSC currently provides for automatic enrollment into HTW for certain women after their Medicaid for Pregnant Women ends. The bill would result in certain women enrolled in Medicaid 6-18, CHIP, Medicaid for Transitioning Foster Care Youth (MTFCY), and Former Foster Care Children (FFCC) receiving automatic enrollment into HTW, subject to certain eligibility requirements, when they age out of their current insurance program. It is assumed that it would take one year to receive all necessary federal approvals and to make required system changes; therefore, it is assumed automatic enrollment would begin in fiscal year 2021. The total increased cost of HTW program, due to increased caseloads, is estimated at \$6.5 million in General Revenue in fiscal year 2021, increasing in each subsequent year to \$16.3 million in General Revenue in fiscal year 2024.

Due to automatic enrollment in HTW, estimated Medicaid savings associated with averted births, including reduced costs for pregnant women, other related services, and Health Insurance Provider Fees (HIPF), is \$2.1 million in All Funds, including \$0.9 million in General Revenue, in fiscal year 2021, increasing in each subsequent year to \$43.4 million in All Funds, including \$17.3 million in General Revenue, by fiscal year 2024.

The bill would also require HHSC to identify and automatically enroll HTW recipients into Medicaid for Pregnant Women, subject to certain eligibility requirements, if they become pregnant while receiving services through HTW. According to HHSC, the agency would only learn that a HTW recipient is pregnant if she applies for pregnancy services. According to federal regulations, HHSC must use Modified Adjusted Gross Income (MAGI) to determine financial eligibility for Medicaid for Pregnant Women, and HHSC indicates that the Centers for Medicare and Medicaid Services has stated that this requirement cannot be waived. HHSC would still need

an application from a woman to collect necessary information to make the MAGI determination in order to enroll her into the appropriate program. This analysis, therefore, assumes no cost impact associated with implementing this provision of the bill.

According to HHSC, there would be a cost of \$0.7 million in All Funds, including \$0.2 million in General Revenue, in fiscal year 2020 to implement modifications to the Texas Integrated Eligibility Redesign System (TIERS) and other auxiliary technologies. Additionally, according to HHSC, 35.8 full-time equivalents would be needed to manage increased eligibility determinations.

The Medicaid savings associated with averted births are assumed to result in a decrease to insurance premium tax revenue, estimated as 1.75 percent of the decreased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed decreased collections of \$23,402 in fiscal year 2021, and within a range of \$0.7 million to \$0.8 million in subsequent years.

Technology

According to HHSC, the cost for modifications to the Texas Integrated Eligibility Redesign System (TIERS), ETS, and auxiliary technology services is estimated at \$0.7 million in All Funds, including \$0.2 million in General Revenue, 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, SK, KT