

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 29, 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: HB2062 by Guerra (Relating to reimbursement for home telemonitoring services under Medicaid.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2062, Committee Report 1st House, Substituted: a negative impact of (\$15,007,013) 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	(\$7,580,502)
2021	(\$7,426,511)
2022	(\$7,509,271)
2023	(\$7,621,474)
2024	(\$7,753,268)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR Match For Medicaid</i> 758	Probable (Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>Foundation School Fund</i> 193
2020	(\$7,934,993)	(\$12,240,428)	\$265,868	\$88,623
2021	(\$7,785,520)	(\$12,633,284)	\$269,216	\$89,793
2022	(\$7,873,283)	(\$25,364,934)	\$273,009	\$91,003
2023	(\$7,991,187)	(\$32,107,176)	\$277,285	\$92,428
2024	(\$8,127,151)	(\$32,617,871)	\$280,412	\$93,471

Fiscal Analysis

The bill would repeal the Medicaid telemonitoring benefit reimbursement sunset date.

Methodology

Repealing the sunset date associated with Medicaid reimbursement of home telemonitoring services would result in a cost to continue providing those services beyond September 1, 2019. According to HHSC, the total estimated cost for these client services would be \$20.2 million in All Funds, including \$7.9 million in General Revenue, in fiscal year 2020 increasing each fiscal year to \$21.4 million in All Funds, including \$8.1 million in General Revenue, in fiscal year 2024.

The net 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 \$0.4 million in each fiscal year. 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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, AKi, EP, MDI, LR, JGa