

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

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

**April 1, 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:** **HB3860** by Krause (Relating to a child's eligibility for the Medicaid buy-in for children program or the medically dependent children (MDCP) waiver program.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3860, As Introduced: a negative impact of (\$2,248,112) 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	(\$1,260,088)
2021	(\$988,024)
2022	(\$642,154)
2023	(\$642,154)
2024	(\$642,154)

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

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from GR Match For Title XXI 8010	Probable Savings/(Cost) from GR Match for Food Stamp Admin 8014
2020	(\$97,664)	(\$934,082)	(\$2,858)	(\$225,484)
2021	(\$95,694)	(\$677,167)	(\$2,621)	(\$212,542)
2022	(\$5,435)	(\$635,083)	(\$40)	(\$1,596)
2023	(\$5,435)	(\$635,083)	(\$40)	(\$1,596)
2024	(\$5,435)	(\$635,083)	(\$40)	(\$1,596)

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from Federal Funds 555</b>	<b>Change in Number of State Employees from FY 2019</b>
2020	(\$1,596,937)	13.2
2021	(\$1,300,481)	13.2
2022	(\$638,101)	13.2
2023	(\$638,101)	13.2
2024	(\$638,101)	13.2

## **Fiscal Analysis**

The bill would require the Health and Human Services Commission (HHSC) to establish rules to increase the maximum family income for determining eligibility for the Medicaid buy-in program for children with disabilities to the maximum amount allowable for a child who is eligible for the medically dependent children waiver program and is on the interest list for the program, considering available appropriations for that purpose.

The bill would require HHSC to directly conduct a disability determination assessment of a child for eligibility determination for the Medicaid buy-in for children program if the child's legally authorized representative requests it. The bill would also require HHSC to directly conduct a medical necessity assessment of a child for eligibility determination for the medically dependent children waiver program if the child is first on the interest list and their legally authorized representative requests it.

The bill would allow HHSC to delay implementation of its provisions until the agency obtains a federal waiver or authorization, if required.

The bill would take effect September 1, 2019.

## **Methodology**

According to HHSC, in order to conduct disability determination and medical necessity assessments, 13.2 additional full-time equivalents (FTEs) would be required. This includes 11.0 Nurse III positions, 1.0 Nurse IV, 1.0 Administrative Assistant II, and 0.2 Program Specialist V. FTE-related costs including salaries, benefits, technology, and other overhead and operating costs would be \$1,377,776 in All Funds in fiscal year 2020 and \$1,280,254 in All Funds in subsequent fiscal years.

HHSC determined that raising the threshold for the Medicaid buy-in program for children with disabilities to the maximum amount allowable may result in an increase in workloads, but that the impact would not be significant.

## **Technology**

Application and System modifications to TIERS and Eligibility Supporting Technologies, Long-Term Care Online Portal and auxiliary technology services systems will be required to determine a child's eligibility for the Medicaid buy-in for children program or the medically dependent children (MDCP) waiver program.

The total one-time technology costs are estimated to be \$1,558,054 in fiscal year 2020 and \$1,073,814 in fiscal year 2021. Ongoing costs are \$65,564 in fiscal years 2022 to 2024 and

include related technology costs include seat management services (PC and telecommunications) and basic data storage under the contract for data center services.

### **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, JQ, ND, RC