

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

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

**May 14, 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: HB4533** by Klick (Relating to the system redesign for delivery of Medicaid acute care services and long-term services and supports to persons with an intellectual or developmental disability or with similar functional needs.), **As Engrossed**

The fiscal implications of the bill relating to the establishment of a pilot program cannot be determined at this time as the eligibility criteria and benefits to be included in the pilot are unknown.

The bill would require the Health and Human Services Commission (HHSC) to collaborate with the Intellectual and Developmental Disability System Redesign Advisory Committee and to establish and collaborate with a pilot program workgroup to develop and implement a Medicaid pilot program to provide long-term services and supports for certain individuals with intellectual or developmental disabilities (IDD) or certain similar functional needs. The pilot would begin on September 1, 2023 and operate for at least two years. The bill would require HHSC to collaborate and consult with the IDD System Redesign Advisory Committee and the pilot program workgroup to perform an evaluation and submit a report after the conclusion of the pilot program. The bill would also require HHSC to seek a federal waiver or authorization to provide Medicaid benefits to certain medically fragile individuals if HHSC determines it to be cost-effective. The bill would take effect September 1, 2019.

The costs associated with developing and implementing the pilot program cannot be determined at this time, as information is not available to determine the criteria for selecting MCOs to participate in the pilot, the eligibility criteria for the pilot, and the exact benefits included in the pilot. Costs could include significant client services and information technology systems changes that could vary depending on the size and scope of the pilot program. This analysis assumes that any costs associated with implementing the provisions of the bill would be immaterial and could be absorbed within existing agency resources for the 2020-21 biennium, but there could be administrative and technology-related costs in the 2022-23 biennium related to implementation of the pilot program on September 1, 2023, or related to the provision of Medicaid benefits to certain medically fragile individuals, if HHSC determines that providing benefits would be cost-effective and receives a federal waiver.

**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