

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 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: **SB750** by Kolkhorst (Relating to maternal and newborn health care and the quality of services provided to women in this state under certain health care programs.), **Committee Report 2nd House, As Amended**

Estimated Two-year Net Impact to General Revenue Related Funds for SB750, Committee Report 2nd House, As Amended: a negative impact of (\$14,672,838) 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. The Health and Human Services Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$1,029,200)
2021	(\$13,643,638)
2022	(\$13,816,602)
2023	(\$13,990,616)
2024	(\$14,165,461)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2020	(\$1,029,200)
2021	(\$13,643,638)
2022	(\$13,816,602)
2023	(\$13,990,616)
2024	(\$14,165,461)

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to apply for federal funds to implement a model of care to improve quality and accessibility of care for certain pregnant women and their children. The provision would expire September 1, 2021.

The bill would require HHSC to establish rules to ensure that women receiving services under the Healthy Texas Women (HTW) program are referred to and provided information on the primary health care services program.

The bill would require HHSC, in collaboration with Medicaid managed care organizations (MCOs), to develop and implement cost-effective, evidence-based, and enhanced prenatal care services to high-risk pregnant women enrolled in Medicaid.

The bill would require HHSC to evaluate postpartum care services provided to women enrolled in HTW after the first 60 days of the postpartum period and, based on that evaluation, to develop an enhanced, cost-effective, and limited postpartum care services package for women enrolled in HTW to be provided after the first 60 days postpartum for not more than 12 months after HTW enrollment.

The bill would require HHSC to assess the feasibility and cost-effectiveness of contracting with an MCO to provide HTW services through managed care in one or more health care services regions if the HTW Section 1115 Demonstration Waiver is approved. The provision would expire September 1, 2021.

The bill would require HHSC to develop and implement strategies to ensure the continuity of care for women who transition from Medicaid to HTW.

The bill would require HHSC, using money from an available source designated by HHSC and in collaboration with Medicaid MCOs and HTW providers, to develop and implement a postpartum depression treatment network.

The bill would require HHSC to develop or enhance statewide initiatives to improve the quality of maternal health care services. MCOs contracting with HHSC would be required to incorporate initiatives specified by HHSC into their plans and would be authorized to incorporate additional initiatives. The bill would require HHSC to submit an annual report summarizing the commission's progress in developing or enhancing initiatives and each MCO's progress in incorporating initiatives into the MCO's managed care plans.

The bill would rename the Maternal Mortality Task Force as the Texas Maternal Mortality and Morbidity Review Committee. The review committee would be continued until September 1, 2027. The Sunset Advisory Commission would be required to review the committee during the same two-year period the Department of State Health Services is reviewed. The provision would expire September 1, 2025.

The bill would also amend the Special District Local Laws Code to allow the Midland County Hospital District to impose a sales and use tax.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2019.

Methodology

The analysis assumes start-up activities related to the limited postpartum care package in HTW would take place in fiscal year 2020 and service provision would begin in fiscal year 2021.

Administrative Costs: According to HHSC, necessary technology upgrades would be performed in fiscal year 2020 at a cost of \$1,029,200. HHSC estimates \$399,000 would be needed in fiscal year 2021 and each year thereafter for claims administration.

Client Services Costs:

The analysis assumes services covered in the limited postpartum care package would include postpartum depression treatment; Screening, Brief Intervention, and Referral to Treatment (SBIRT); treatment for substance use disorder (SUD); asthma treatment; and smoking cessation services.

The analysis assumes 7,619 clients would receive postpartum depression treatment in fiscal year 2021, which would consist of 24 psychotherapy sessions per client (two sessions per month) at a cost of \$65.08 per session, for a total cost of \$11,900,268. The analysis only includes costs associated with provision of psychotherapy because HTW currently covers diagnostic evaluation, medications, and follow-up visits for women with a diagnosis of postpartum depression.

The analysis assumes 929 clients would receive SBIRT services in fiscal year 2021 at a cost of \$13.72 per client, for a total cost of \$12,746.

The analysis assumes 661 clients would receive SUD treatment services in fiscal year 2021 at a cost of \$1,482.38 per client, for a total cost of \$979,853.

The analysis assumes 307 clients would receive treatment for asthma in fiscal year 2021 at a cost of \$614.51 per client, for a total cost of \$188,655.

The analysis assumes 430 clients would receive treatment for smoking in fiscal year 2021 at a cost of \$379.34 per client, for a total cost of \$163,116.

Total client services costs are estimated to be \$13,244,638 in fiscal year 2021.

Out-year client services costs assume the following: between 1.0 percent and 1.4 percent annual growth in clients served; no changes to cost per client for postpartum depression treatment, SBIRT, asthma treatment, or smoking cessation services; and 1.2 percent annual growth in cost per client for SUD treatment.

If the HTW 1115 Waiver receives federal approval and the waiver is amended to include the additional services, federal matching funds would be available to partially fund services, reducing the General Revenue cost by an estimated \$0.5 million in fiscal year 2020 and \$8.4 million in fiscal year 2021.

The analysis assumes the remaining duties and responsibilities associated with implementing provisions of the bill could be accomplished by utilizing existing agency resources.

According to the Comptroller of Public Accounts, the provisions of the bill related to the Midland County Hospital District adopting, changing the rate of or abolishing a sales and use tax, would have no fiscal impact on the state.

Technology

Technology costs for fiscal year 2020 are estimated to total \$1,029,200 for one-time upgrades to the Texas Integrated Eligibility Redesign System and Eligibility Support Technology.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

According to Midland County, the provisions of the bill related to the Midland County Hospital District adopting, changing the rate of or abolishing a sales and use tax, are not anticipated to have a fiscal impact.

Source Agencies: 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: WP, AKi, EP, RD, LR, ADe