

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

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

**May 6, 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:** **SB1235** by Buckingham (Relating to the enrollment of health care providers in Medicaid.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1235, As Engrossed: a negative impact of (\$717,230) 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	(\$455,490)
2021	(\$261,740)
2022	\$0
2023	\$0
2024	\$0

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

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555
2020	(\$455,490)	(\$695,010)
2021	(\$261,740)	(\$501,260)
2022	\$0	\$0
2023	\$0	\$0
2024	\$0	\$0

## **Fiscal Analysis**

The bill would amend Chapter 531 of the Government Code to require HHSC to require a centralized credentialing entity for Medicaid provider credentialing and the entity serving as the state's Medicaid claims administrator to share information to reduce the submission of duplicative information for both Medicaid enrollment and credentialing. The bill would allow providers that are credentialed by an MCO or enrolled in Medicare to participate in Medicaid without also enrolling with the state's Medicaid claims administrator, and authorizes the Executive Commissioner of HHSC to, by rule, establish additional enrollment requirements that are not otherwise required by MCO credentialing or Medicaid provider enrollment. The bill would require HHSC to streamline the Medicaid enrollment of a provider who provides services through a single case agreement to a recipient who is also enrolled in a private group health benefit plan and use a provider's national provider identifier number when enrolling a provider in that situation. The bill would take effect September 1, 2019.

## **Methodology**

HHSC indicates that system modifications necessary to implement the provisions of the bill for the Texas Integrated Eligibility Redesign System (TIERS) would have a cost of \$0.8 million in All Funds, including \$0.3 million in General Revenue Funds, in each fiscal year of the 2020-21 biennium. HHSC estimates additional changes to the PMES would have a cost of \$0.4 million in All Funds, including \$0.2 million in General Revenue Funds, in fiscal year 2020. This analysis assumes that costs related to information sharing between the centralized credentialing entity and the Medicaid claims administrator could be accomplished within existing resources, and that HHSC will maintain enrollment requirements for Medicaid providers that comply with federal law.

## **Technology**

Technology related costs are estimated to be \$1.9 million in All Funds, including \$0.7 million in General Revenue Funds, in the 2020-21 biennium for system modifications to TIERS and the PMES.

## **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