

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 18, 2021

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB706 by Moody (Relating to the provision of counseling services by certain providers under Medicaid and reimbursement for those services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB706, As Introduced : a negative impact of (\$10,913,915) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	(\$10,913,915)
2024	(\$10,658,484)
2025	(\$11,557,411)
2026	(\$12,488,368)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Foundation School Fund 193
2022	\$0	\$0	\$0	\$0
2023	(\$11,250,023)	(\$17,559,255)	\$252,081	\$84,027
2024	(\$11,522,037)	(\$17,931,022)	\$647,665	\$215,888
2025	(\$12,106,901)	(\$18,762,300)	\$412,118	\$137,372
2026	(\$12,867,066)	(\$19,592,738)	\$284,024	\$94,674

Fiscal Analysis

The bill would allow licensed marriage and family therapist (LMFT) associates pursuing LMFT licensure, licensed master social workers (LMSWs) pursuing licensed clinical social worker (LCSW) licensure, and licensed professional counselor (LPC) associates pursuing LPC licensure, to deliver Medicaid covered services to Medicaid recipients. The bill would require the Health and Human Services Commission (HHSC) to provide Medicaid reimbursement to LCSWs, LPCs, and LMFTs at a rate equal to the reimbursement rate established for a licensed psychiatrist or licensed psychologist for providing the same service and to LMFT associates, LMSWs, and LPC associates at a rate equal to 70 percent of the reimbursement rate established for a licensed psychiatrist or licensed psychologist for providing the same service.

Methodology

According to HHSC, system modifications to claims administrator and auxiliary technology services would be necessary to implement the provisions of the bill. It is assumed these changes would occur during fiscal year 2022 and that any associated cost could be absorbed within existing resources.

The total Medicaid client services cost to align reimbursement for LMFTs, LCSWs, and LPCs with rates established for licensed psychiatrists and licensed psychologists is estimated to be \$25.5 million in All Funds, including \$10.0 million in General Revenue Funds, in fiscal year 2023, increasing to \$28.8 million in All Funds, including \$11.4 million in General Revenue Funds, in fiscal year 2026, assuming implementation beginning September 1, 2022.

The total Medicaid client services cost to provide reimbursement for LMFT associates, LMSWs, and LPC associates is estimated to be \$3.3 in All Funds, including \$1.3 in General Revenue Funds, in fiscal year 2023, increasing to \$3.7 million in All Funds, including \$1.5 million in General Revenue Funds, in fiscal year 2026.

This analysis assumes the provisions of the bill would apply to services provided in the Healthy Texas Women Plus Program, the costs of which are included above.

Client services costs are assumed to result in an increase to insurance premium tax revenue, estimated to be 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in an estimated increase of \$0.3 million in fiscal year 2023, \$0.9 million in fiscal year 2024, \$0.5 million in fiscal year 2025 and \$0.4 million in fiscal year 2026.

Local Government Impact

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

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, JLI, RD, WP