

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: HB3145 by Deshotel (Relating to Medicaid reimbursement for dental services provided to certain adults with disabilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3145, As Introduced : a negative impact of (\$28,589,477) 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	(\$28,589,477)
2024	(\$28,086,343)
2025	(\$30,199,643)
2026	(\$32,357,390)

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	(\$29,469,927)	(\$45,997,236)	\$660,338	\$220,112
2024	(\$30,354,932)	(\$47,239,476)	\$1,701,442	\$567,147
2025	(\$31,631,170)	(\$49,019,441)	\$1,073,645	\$357,882
2026	(\$33,338,597)	(\$50,764,826)	\$735,905	\$245,302

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to provide Medicaid reimbursement for preventive dental services for an adult recipient with a disability who is enrolled in the STAR+PLUS managed care program.

Methodology

The total Medicaid client services cost is estimated to be \$81.7 million in All Funds, including \$31.9 million in General Revenue Funds, in fiscal year 2023, increasing to \$91.6 million in All Funds, including \$36.3 million in General Revenue Funds, in fiscal year 2026, assuming implementation beginning September 1, 2022.

The total Medicaid client services savings due to reduced dental-related emergency room visits is estimated to be \$6.2 million in All Funds, including \$2.4 in General Revenue Funds, in fiscal year 2023, increasing to \$7.5 million in All Funds, including \$3.0 million in General Revenue Funds, in fiscal year 2026.

The increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$0.9 million in fiscal year 2023, \$2.3 million in fiscal year 2024, \$1.4 million in fiscal year 2025, and \$1.0 million in fiscal year 2026. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

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, KT