LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 29, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3720** by Frank (Relating to long-term care facilities for and Medicaid waiver programs available to certain individuals, including individuals with intellectual and developmental disabilities), **Conference Committee Report**

The fiscal implications of the bill cannot be determined at this time because it is unknown how limiting the amount of an administrative penalty assessed on a facility would impact the level of revenue received by the state.

The Health and Human Services Commission is required to implement 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 the Act using other appropriations available for the purpose.

The bill would require the Health and Human Services Commission (HHSC), in consultation with the Intellectual and Developmental Disability System Redesign Advisory Committee, State Medicaid Managed Care Advisory Committee, and other stakeholders, to develop a questionnaire for individuals on an interest list for a Medicaid waiver program, including: Community Living Assistance and Support Services (CLASS); Home and Community-based Services (HCS); DeafBlind with Multiple Disabilities (DBMD); Texas Home Living (TxHmL); Medically Dependent Children Program (MDCP); and STAR+PLUS Home and Community-Based Services (STAR+PLUS HCBS). An individual who is on an interest list who does not respond to requests for updates to interest list information or does not maintain contact with HHSC would be considered inactive until they make contact with HHSC. This analysis assumes there would be a minimal cost associated with implementing the provisions that could be absorbed within current resources.

The bill would require the executive commissioner of HHSC to appoint an additional member to the Long-Term Care Facilities Council that meets certain criteria. The bill would amend Health and Safety Code Chapter 252 to limit the total amount of administrative penalties that a facility can be assessed. The bill would also require the executive commissioner of HHSC to develop and adopt rules regarding the application of certain administrative penalties no later than December 1, 2021.

This analysis assumes any cost to implement provisions of the bill related to adding a member to the Long-Term Care Facilities Council and rulemaking would be minimal and could be absorbed within available resources. However, according to information provided by HHSC, limiting the amount of administrative penalties that can be assessed on a facility could reduce revenue to the state. An estimate of the reduction in revenue cannot be determined at this time because it is unknown how the provisions of the bill will impact the behavior of facilities in how they address noncompliance without aggregate penalties.

Local Government Impact

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

Source Agencies:

LBB Staff: JMc, AKI