

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 29, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3720 by Frank (Relating to interest lists and eligibility criteria for certain Medicaid waiver programs.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3720, Committee Report 1st House, Substituted : a negative impact of (\$6,820,825) 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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$3,465,171)
2023	(\$3,355,654)
2024	(\$3,791,326)
2025	(\$3,791,598)
2026	(\$4,118,435)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid 758</i>	<i>Probable Savings/(Cost) from Federal Funds 555</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$3,272,508)	(\$192,663)	(\$388,664)	3.0
2023	(\$3,272,508)	(\$83,146)	(\$83,146)	3.0
2024	(\$3,707,916)	(\$83,410)	(\$83,410)	3.0
2025	(\$3,707,916)	(\$83,682)	(\$83,682)	3.0
2026	(\$4,034,472)	(\$83,963)	(\$83,963)	3.0

Fiscal Analysis

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); Deaf-Blind with Multiple Disabilities (DBMD); Texas Home Living (TxHmL); Medically Dependent Children Program (MDCP); and STAR+PLUS Home and Community-Based Services (STAR+PLUS HCBS). HHSC would be required, subject to the availability of funds, to require all individuals on an interest list for a waiver program to complete or update the questionnaire on an annual basis.

Additionally, the bill would require HHSC to develop an online portal for individuals to request placement on an interest list and to complete and update the questionnaire, if HHSC determines doing so is feasible. 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.

HHSC would be required to conduct a medical necessity assessment of a child receiving Supplemental Security Income (SSI) whose parent or guardian expresses interest in placing the child on the MDCP interest list before the child is placed on the interest list. As soon as practicable after the effective date of the bill, HHSC would be required to conduct a medical necessity assessment of a child on the MDCP interest list who is receiving SSI.

The bill would require HHSC to expand financial and diagnostic eligibility criteria for the TxHmL waiver program.

Methodology

According to HHSC, updates to the Texas Integrated Eligibility Redesign System (TIERS) would be necessary to implement the provisions of the bill. It is assumed the upgrades would be completed during fiscal year 2022 at a cost of \$0.4 million in All Funds. It is assumed costs associated with technology changes would receive a 75 percent federal match.

It is assumed HHSC would require an additional 3.0 full-time equivalents (FTEs) to complete data entry related to the questionnaire and address additional contacts with individuals on the interest list. The estimated cost for additional FTEs is \$0.2 million in each fiscal year. It is assumed FTE-related costs would receive a 50 percent federal match.

According to HHSC, local intellectual and development disability authorities (LIDDAs) would require additional FTEs to annually administer the questionnaire for HCS and TxHmL. It is assumed HHSC would provide additional grant funding of \$3.3 million in General Revenue in fiscal year 2022, \$3.3 million in General Revenue in fiscal year 2023, \$3.7 million in General Revenue in fiscal year 2024, \$3.7 million in General Revenue in fiscal year 2025, and \$4.0 million in General Revenue in fiscal year 2026 for this purpose.

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

Technology

Technology costs are estimated to be \$0.4 million in All Funds in fiscal year 2022, and \$1,728 in All Funds in each subsequent year. This includes \$0.3 million in All Funds for upgrades to TIERS and \$4,875 for FTE-related technology costs in fiscal year 2022 and \$1,728 in each subsequent year for FTE-related technology costs.

Local Government Impact

According to HHSC, the local intellectual and developmental disability authorities would need additional full-time equivalents to assist with implementation. These costs are assumed and stated above.

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, JLI, RD