

**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: HB4365** by Oliverson (Relating to a pilot project to improve health care outcomes and reduce costs under Medicaid by providing participating recipients with enhanced case management and other services to address certain social determinants of health.), **As Introduced**

**The fiscal implications of the bill cannot be determined at this time because it is not known how many individuals would be enrolled in the pilot program, the amount or duration of nonmedical interventions enrolled individuals would be offered, and which entities would provide the nonmedical interventions.**

The bill would amend Chapter 533 of the Government Code to require the Health and Human Services Commission (HHSC) to seek a waiver under Section 1115 of the Social Security Act to develop and implement a five-year pilot program to improve the health care outcomes of Medicaid recipients and reduce health care costs by providing enhanced case managed and other coordinated, evidence-based, nonmedical intervention services. HHSC would be required to submit a biennial report regarding the pilot program. The provisions of the bill would expire on September 1, 2027. The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. Otherwise, the bill would take effect on September 1, 2021.

According to HHSC, 1.0 Program Specialist VI would be needed to develop, implement, and provide ongoing management of the pilot program and compile the required report and 1.0 Research Specialist V would be needed to update the current Medicaid evaluation and reporting plans and provide support for evaluation of the program. The estimated cost of the additional full-time equivalents (FTEs) is \$0.2 million each fiscal year. Additional costs related to implementing the pilot program cannot be determined at this time because it is not known how many individuals would be enrolled in the pilot, the amount or duration of nonmedical interventions enrolled individuals would be offered, and which entities would provide the nonmedical interventions.

**Local Government Impact**

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

**Source Agencies:** 529 Hlth & Human Svcs Comm

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