

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 16, 2021

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB73 by Miles (Relating to providing access to local health departments and certain health service regional offices under Medicaid.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB73, As Introduced : a negative impact of (\$1,012,000) 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	(\$1,012,000)
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555
2022	(\$347,000)	(\$665,000)	(\$665,000)
2023	\$0	\$0	\$0
2024	\$0	\$0	\$0
2025	\$0	\$0	\$0
2026	\$0	\$0	\$0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to create a provider type for local health departments, including health service regional offices acting in the capacity of local health departments, for purposes of enrollment as a provider for and reimbursement under Medicaid. HHSC would be able to delay implementation of the provisions of the bill until the agency obtained a federal waiver or authorization, if required.

Methodology

The analysis assumes HHSC's Provider Enrollment Management System and auxiliary technology services would require updates to include the new provider type. It is assumed these changes would be completed during fiscal year 2022 and would cost \$1,330,000. It is assumed costs associated with these technology changes would receive a 50 percent federal match.

The analysis assumes the Department of State Health Services (DSHS) would develop a billing system to be used by health service regional offices. Development of the system is assumed to cost \$245,000 in fiscal year 2022.

The analysis assumes \$102,000 in fiscal year 2022 for DSHS to perform training for staff regarding new billing procedures.

The analysis assumes additional costs incurred by DSHS would be offset by Medicaid reimbursement received by health service regional offices.

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 total \$1,575,000 in fiscal year 2022. This includes \$1,330,000 for one-time upgrades to the Provider Enrollment Management System and auxiliary technology services at HHSC and \$245,000 for DSHS to develop a billing system for health service regional offices.

Local Government Impact

The Texas Association of Counties does not anticipate a significant fiscal impact to counties.

Source Agencies: 529 Hlth & Human Svcs Comm, 537 State Health Services

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