

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 11, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1059** by Paxton (Relating to the process for determining the Medicaid eligibility of certain former foster care youth.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1059, As Introduced : a negative impact of (\$717,281) 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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	(\$106,250)
2023	(\$611,031)
2024	(\$1,459,775)
2025	(\$2,222,333)
2026	(\$2,930,142)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from GR Match For Medicaid 758</b>	<b>Probable Savings/(Cost) from Federal Funds 555</b>	<b>Probable Revenue Gain/(Loss) from General Revenue Fund 1</b>	<b>Probable Revenue Gain/(Loss) from Foundation School Fund 193</b>
2022	(\$106,250)	(\$318,750)	\$0	\$0
2023	(\$629,848)	(\$938,078)	\$14,113	\$4,704
2024	(\$1,574,360)	(\$2,450,077)	\$85,939	\$28,646
2025	(\$2,336,256)	(\$3,662,042)	\$85,442	\$28,481
2026	(\$3,018,996)	(\$4,597,039)	\$66,641	\$22,213

**Fiscal Analysis**

The bill would amend Chapter 32 of the Human Resources Code to require the Health and Human Services Commission, in consultation with the Department of Family and Protective Services, to develop a streamlined process to determine a former foster youth's eligibility for Medicaid.

**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 \$0.4 million in All Funds. It is assumed costs associated with technology changes would receive a 75 percent federal match.

It is assumed the ability to self-attest to residency will be implemented on September 1, 2022 and will result in an increase in the average monthly number of individuals receiving Medicaid for Former Foster Care Children (FFCC) of 158 in fiscal year 2023 and continue to increase in each subsequent year, reaching 658 in fiscal year 2026. The estimated cost associated with increased FFCC caseloads would be \$1.6 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2023 and would increase to \$7.6 million in All Funds, including \$3.0 million in General Revenue, in fiscal year 2026.

The net 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 less than \$0.1 million each year in fiscal years 2023 through 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.

It is assumed that costs to the Health and Human Services Commission associated with rulemaking, and development of any state plan amendments or waivers and any cost to the Department of Family and Protective Services could be absorbed within existing agency resources.

### **Technology**

Technology costs are estimated to be \$0.4 million in fiscal year 2022 for upgrades to TIERS.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 529 Hlth & Human Svcs Comm, 530 Family & Protective Services

**LBB Staff:** JMc, AKI, JLI, RD