

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 5, 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1059, Committee Report 1st House, Substituted : a negative impact of (\$717,281) through the biennium ending August 31, 2023.

The Health and Human Services Commission and the Department of Family and Protective Services are 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 and the department may, but are not required to, implement the Act using other appropriations available for the purpose.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
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>	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Foundation School Fund 193
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

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