

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 20, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1879 by Darby (relating to the provision of counseling services by certain providers under Medicaid and reimbursement for those services.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1879, Committee Report 1st House, Substituted : a negative impact of (\$1,363,588) through the biennium ending August 31, 2025.

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>
2024	(\$12,000)
2025	(\$1,351,588)
2026	(\$1,422,427)
2027	(\$1,486,408)
2028	(\$1,580,937)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from GR Match For Medicaid</i>	<i>Probable (Cost) from Federal Funds</i>	<i>Probable Revenue Gain from General Revenue Fund</i>	<i>Probable Revenue Gain from Foundation School Fund</i>
	758	555	1	193
2024	(\$12,000)	(\$36,000)	\$0	\$0
2025	(\$1,435,833)	(\$2,142,568)	\$63,184	\$21,061
2026	(\$1,488,268)	(\$2,218,502)	\$49,381	\$16,460
2027	(\$1,555,257)	(\$2,318,359)	\$51,637	\$17,212
2028	(\$1,628,250)	(\$2,427,166)	\$35,485	\$11,828

Fiscal Analysis

The bill would allow Medicaid clients to receive services from a licensed marriage and family therapist working toward fulfilling supervised practice requirements, master social worker (LMSW) who is actively pursuing education and training to be a licensed clinical social worker and a licensed professional counselor associate (LPCA) who is working toward fulfilling the supervised practice requirements to be a licensed professional counselor.

The bill would require the Health and Human Services Commission (HHSC) to provide Medicaid reimbursement for counseling services provided by a LMSW or LPCA described above at a rate equal to 70.0

percent of the reimbursement rate for a licensed psychiatrist or licensed psychologist providing a similar service.

Methodology

HHSC assumes that utilization will increase as a result of increasing the number of available providers for Medicaid reimbursement. Assuming a September 1, 2024 start date, the additional annual service units associated with allowing Medicaid recipients to select LMSWs and LPCAs as providers is estimated to be 55,250 in fiscal year 2025, increasing each subsequent fiscal year to 62,615 by fiscal year 2028. This analysis assumes a reimbursement rate of \$64.77 per unit equates to 70.0 percent of the rate for licensed psychiatrists and licensed psychologists. The estimated cost is \$3.6 million in All Funds, including \$1.4 million in General Revenue, in fiscal year 2025, increasing each subsequent fiscal year to \$4.1 million in All Funds, including \$1.6 million in General Revenue in fiscal year 2028.

The net increase in client services payments through managed care is 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 increased collections estimated to be less than \$0.1 million in fiscal year 2025, less than \$0.1 million in fiscal year 2026, less than \$0.1 million in fiscal year 2027, and less than \$0.1 million in fiscal year 2028. 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.

Technology

HHSC estimates that there will be a onetime cost of \$48,000 in All Funds, \$12,000 in General Revenue, in fiscal year 2024 for the Texas Medicaid and Healthcare Partnership vendors to update the Provider Enrollment Management Systems with the new provider types.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, CST, NV