

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 21, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & 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 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1879, Committee Report 2nd House, Substituted : a negative impact of (\$1,116,441) 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	(\$166,250)
2025	(\$950,191)
2026	(\$998,809)
2027	(\$1,043,735)
2028	(\$1,110,412)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from GR Match For Medicaid 758</i>	<i>Probable (Cost) from Federal Funds 555</i>	<i>Probable Revenue Gain from General Revenue Fund 1</i>	<i>Probable Revenue Gain from Foundation School Fund 193</i>
2024	(\$166,250)	(\$498,750)	\$0	\$0
2025	(\$1,010,366)	(\$1,545,635)	\$45,131	\$15,044
2026	(\$1,045,839)	(\$1,601,854)	\$35,273	\$11,757
2027	(\$1,092,913)	(\$1,673,956)	\$36,884	\$12,294
2028	(\$1,144,207)	(\$1,752,519)	\$25,346	\$8,449

Fiscal Analysis

The bill would allow Medicaid clients to receive services from a licensed marriage and family therapist working toward fulfilling supervised practice requirements, a master social worker who is actively pursuing education and training to be a licensed clinical social worker, and a licensed professional counselor associate 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 by these providers, including those at Federally Qualified Health Center (FQHC), at a rate equal to 50.0 percent of the reimbursement rate for a licensed psychiatrist or licensed

psychologist providing a similar service.

The bill would limit the reimbursement provided to a provider to not more than 3,000 hours or the number of hours of clinical practice the provider is required to complete.

Methodology

Assuming a September 1, 2024 start date, the additional annual service units associated with allowing Medicaid recipients to select licensed master social workers (LMSW) and licensed professional counselors associates (LPCA) as providers is estimated to be 55,250 in fiscal year 2025, increasing each subsequent fiscal year to 62,615 by fiscal year 2028. The reimbursement rate of \$46.26 per unit equates to 50 percent of the rate for psychologists and psychiatrists. The estimated cost is \$2.6 million in All Funds, including \$1.0 million in General Revenue, in fiscal year 2025, increasing each subsequent fiscal year to \$2.9 million in All Funds, including \$1.1 million in General Revenue in fiscal year 2028.

Services received at FQHCs would be provided at set rate in alignment with current payment methodologies. While an estimate of client service utilization cannot be determined, it is assumed that additional costs would be insignificant.

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 \$665,000 in All Funds, \$166,250 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 and limitations on the hours.

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