

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 4, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1629 by Kolkhorst (Relating to the regulation of certain nursing facilities and other long-term care facilities, including licensing requirements and Medicaid participation requirements.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1629, As Introduced : a negative impact of (\$1,675,899) 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	(\$1,343,994)
2025	(\$331,905)
2026	(\$332,230)
2027	(\$332,558)
2028	(\$332,890)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid 758</i>	<i>Probable Savings/(Cost) from Federal Funds 555</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$846,453)	(\$497,541)	(\$508,075)	4.0
2025	(\$299,599)	(\$32,306)	(\$32,306)	4.0
2026	(\$299,893)	(\$32,337)	(\$32,337)	4.0
2027	(\$300,189)	(\$32,369)	(\$32,369)	4.0
2028	(\$300,489)	(\$32,401)	(\$32,401)	4.0

Fiscal Analysis

The bill would require applications for license or renewal of a license of a nursing facility and related institution to include the name of a person with ownership interest in the facility or the real property on which the facility is located, and to describe the ownership interest. The bill would require a license holder to notify the Health and Human Services Commission (HHSC) of changes made to the ownership interest information included in the application.

The bill would require HHSC to recoup all or part of an incentive payment if a nursing facility fails to satisfy a program requirement, and use recouped funds to continue funding the incentive program that offers incentives

for increasing direct care staff, wages, and benefits.

The bill would require the executive commissioner of HHSC to, by rule, establish an annual direct care expense ratio applicable to the reimbursement of nursing facility and other long-term care facility providers.

The bill would take effect September 1, 2023.

Methodology

According to HHSC, additional staff would be needed to process an anticipated increase in applications. This analysis assumes HHSC would need additional License and Permit Specialist IV positions to process increased applications and screen additional individuals that are required to be disclosed in the application. Analysis assumes a total of 4.0 full-time-equivalents (FTEs) are needed in fiscal year 2024 through 2028 to implement the provisions of the bill. Personnel related costs, including salaries, travel, and overhead are estimated to total \$386,987 in All Funds in fiscal year 2024 and \$364,211 in All Funds in fiscal year 2025.

It is assumed all other costs associated with the bill can be absorbed within existing resources.

Technology

The total technology cost is estimated to be \$1,477,937 in All Funds in fiscal year 2024 and \$2,095 in All Funds in fiscal year 2025. Costs are primarily related to one-time modifications to the Texas Unified Licensure Information Portal to accommodate the changes to applications required by the bill. Other costs are associated with additional personnel.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

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