

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 17, 2025

TO: Honorable Gary VanDeaver, Chair, House Committee on Public Health

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB321 by Bucy (Relating to implementing an express lane option under Medicaid and the child health plan program.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time due to the lack of data necessary to estimate the rate of consent by a parent, legal guardian, or custodial relative upon notification of a child's eligibility for Medicaid or CHIP coverage; or to estimate the relative allocation of new enrollments to Medicaid and CHIP caseloads.

The bill would require the Health and Human Services Commission (HHSC) to implement an express lane option to evaluate data received from an applicant under the Supplemental Nutrition Assistance Program (SNAP) in determining a child's eligibility for enrollment in the Medicaid program or the Children's Health Insurance Program (CHIP) upon consent of a child's parent, legal guardian, or custodial relative.

According to HHSC, necessary modifications to the Texas Integrated Eligibility Redesign System (TIERS) cannot be scheduled for implementation prior to August 2026; therefore, HHSC assumes that services would begin September 1, 2026.

This analysis assumes that there would be a significant increase to Medicaid and CHIP caseloads due to new enrollments under the express lane option; however, the impact on Medicaid and CHIP caseloads and the fiscal impact due to increased client services costs cannot be determined at this time due to the lack of data necessary to estimate the rate of consent by a parent, legal guardian, or custodial relative upon notification of a child's eligibility for Medicaid or CHIP coverage; or to estimate the relative allocation of new enrollments to Medicaid and CHIP caseloads.

To illustrate one possible example of potential costs, HHSC provided information assuming a 95 percent rate of consent and an allocation of 75 percent of the total new caseload in Medicaid and 25 percent of the total new caseload in CHIP. Assuming an additional average monthly caseload in Medicaid of 86,952 in fiscal year 2027, increasing to an average of 92,302 in fiscal year 2030, and an additional average monthly caseload in CHIP of 28,984 in fiscal year 2027, increasing to an average of 30,767 in fiscal year 2030 would result in an estimated net total cost of \$311,162,066 from All Funds in fiscal year 2027 for Medicaid and CHIP client services.

Additionally, HHSC assumes updates to TIERS would be necessary to implement the provisions of the bill. This analysis assumes that HHSC would require \$854,050 from All Funds in fiscal year 2026 for technology costs.

This analysis assumes that any costs associated with the bill for eligibility services workloads and necessary data analytics and reporting changes could be absorbed using existing resources.

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, ESch, NV