

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 16, 2025

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB475** by Johnson (Relating to Medicaid coverage and reimbursement for multisystemic therapy services.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB475, As Introduced: a negative impact of (\$4,051,948) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$240,530)
2027	(\$3,811,418)
2028	(\$6,798,684)
2029	(\$7,012,146)
2030	(\$7,063,125)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>GR Match For Medicaid 758</i>	Probable Savings/(Cost) from <i>Federal Funds 555</i>	Probable Revenue Gain/(Loss) from <i>General Revenue Fund 1</i>	Probable Revenue Gain/(Loss) from <i>Foundation School Fund 193</i>
2026	(\$240,530)	(\$1,383,170)	\$0	\$0
2027	(\$3,924,561)	(\$5,888,938)	\$84,857	\$28,286
2028	(\$7,277,061)	(\$10,882,219)	\$358,783	\$119,594
2029	(\$7,331,025)	(\$10,962,592)	\$239,159	\$79,720
2030	(\$7,383,529)	(\$11,040,796)	\$240,303	\$80,101

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to provide Medicaid reimbursement for multisystemic therapy services. The bill would require HHSC to establish a separate provider type for systemic therapy providers.

The bill would take effect September 1, 2025.

Methodology

According to HHSC, necessary policy revisions and rate hearings associated with creating a new benefit can take approximately 12 to 18 months to complete; therefore, HHSC assumes that services would begin September 1, 2026.

This analysis assumes that HHSC would require \$240,530 from the General Revenue Fund (\$1,623,700 from All Funds) in fiscal year 2026 for development costs associated with establishing new provider types and \$28,875 from the General Revenue Fund (\$115,500 from All Funds) in subsequent fiscal years for ongoing system updates.

The additional average monthly caseload associated with the new benefit is estimated to be 1,094 in fiscal year 2027, increasing to an average of 2,113 by fiscal year 2030, with an assumed annual cost of \$10,821 per utilizer. This analysis assumes a net client services cost of \$3,895,686 from the General Revenue Fund (\$9,697,999 from All Funds) in fiscal year 2027, including offsetting adjustments to managed care capitation rates due to decreased utilization of other mental health resources.

This analysis assumes that these costs would be partially offset by an estimated \$84,857 to the General Revenue Fund in fiscal year 2027 from client services payments through managed care that are assumed to result in an increase to the General Revenue Fund from insurance premium tax revenue and revenue adjusted for assumed timing of payments and prepayments, resulting in increased revenue collections. Additionally, this analysis assumes an offset of \$28,286 in fiscal year 2027 to be deposited to the credit of the Foundation School Fund, pursuant to Section 227.001(b), Insurance Code.

### **Technology**

The total technology cost is estimated to be \$1,623,700 from All Funds in fiscal year 2026 and \$115,500 from All Funds in fiscal year 2027.

### **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