

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 25, 2025

TO: Honorable Lacey Hull, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1536 by Craddick (Relating to a rural community-based care pilot program.), Committee Report
1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1536, Committee Report 1st House, Substituted: a negative impact of (\$4,143,056) through the biennium ending August 31, 2027.

This analysis cannot determine the cost related to the implementation of the pilot program due to the timing of the report and the uncertainty of the costs that could be identified in the third-party evaluation.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$2,056,348)
2027	(\$2,086,708)
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2026	(\$2,056,348)
2027	(\$2,086,708)
2028	\$0
2029	\$0
2030	\$0

Fiscal Analysis

The bill would require the Department of Family and Protective Services (DFPS), in partnership with a lead entity, to develop and implement a rural Community-based Care (CBC) pilot program.

The bill would require DFPS to seek input from the lead entity regarding the feasibility of a capitated funding model. In addition, the bill would require DFPS to determine the feasibility of implementing an integrated

electronic case management system for CBC.

The bill would require DFPS to contract with an independent evaluator to conduct a comprehensive evaluation of the pilot program.

The bill would require DFPS to submit a report no later than January 1, 2027, regarding the pilot program model. DFPS shall implement the pilot program only if the pilot program is sufficiently funded.

Methodology

This analysis assumes DFPS would need to contract with a third-party entity to consult on the development and implementation of the pilot program including the feasibility of a capitated funding model and integrated case management system. This analysis assumes a cost of \$2,056,348 in General Revenue in fiscal year 2026 and \$2,086,708 in General Revenue in fiscal year 2027 to contract for the evaluation.

This analysis does not assume the implementation of the CBC pilot due to the uncertainty of sufficient funding being available to the agency following the submission of the report by the agency on January 1, 2027 to implement the pilot. Additionally, as noted above, this analysis cannot determine the fiscal impact related to the implementation of the pilot program due to the uncertainty of the costs that may be identified in the third-party evaluation.

It is assumed any costs for the Health and Human Services Commission could be absorbed within existing appropriations.

Local Government Impact

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

Source Agencies: 529 Health and Human Services Commission, 530 Family and Protective Services, Department of
LBB Staff: JMc, NPe, ER, AN, NV