

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 28, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4845 by Guerra (Relating to Medicaid provider enrollment revalidation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4845, As Introduced: a negative impact of (\$5,402,829) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$2,063,161)
2027	(\$3,339,668)
2028	(\$3,339,998)
2029	(\$3,340,273)
2030	(\$3,340,553)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid</i>	<i>Probable Savings/(Cost) from Federal Funds</i>	<i>Change in Number of State Employees from FY 2025</i>
	758	555	
2026	(\$2,063,161)	(\$3,931,619)	3.0
2027	(\$3,339,668)	(\$3,434,051)	3.0
2028	(\$3,339,998)	(\$3,434,381)	3.0
2029	(\$3,340,273)	(\$3,434,655)	3.0
2030	(\$3,340,553)	(\$3,434,936)	3.0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to provide written notice to Medicaid providers of the upcoming expiration of the provider's Medicaid enrollment period. The bill would establish revalidation procedures and requires HHSC to review and provide additional notifications for certain applications before the date the provider's enrollment period expires.

Methodology

According to HHSC, 3.5 additional full-time equivalents (FTEs) would be needed to conduct activities required by the bill, including identifying and screening at-risk applications on an expedited basis and evaluating complex applications and associated findings on an expedited basis. This analysis only assumes 3.0 Research Specialist positions would be needed by the Office of the Inspector General to implement the provisions of the bill. Personnel-related costs, including salaries, travel, and overhead are estimated to total \$405,216 from All Funds

in fiscal year 2026 and \$376,968 from All Funds in fiscal year 2027.

This analysis assumes that HHSC would require additional resources for Texas Medicaid and Healthcare Partnership (TMHP) contract needs, including funding for additional vendor staff, postage costs related to new provider notification requirements, and updates to policies, procedures, and resources. This additional need is estimated to total \$3,103,992 from All Funds in fiscal year 2026 and \$6,207,984 from All Funds in fiscal year 2027.

This analysis assumes that HHSC would require additional resources for information technology, primarily related to one-time modifications to the Provider Enrollment Management System (PEMS) and ongoing additional workload managed through PEMS. This additional need is estimated to total \$2,485,572 from All Funds in fiscal year 2026 and \$188,767 from All Funds in fiscal year 2027.

Technology

Included in the amounts above, the total non-FTE-related technology cost is estimated to be \$2,485,572 from All Funds in fiscal year 2026 and \$188,767 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