

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**March 30, 2025**

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

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

**IN RE: SB1044** by Parker (Relating to newborn screening tests for Duchenne muscular dystrophy.), **As Introduced**

The fiscal implications of the bill cannot be determined because the Department of State Health Services (DSHS) does not currently have the lab capacity to implement requirements under the bill to carry out Duchenne Muscular Dystrophy (DMD) testing and related activities as part of its newborn screening panel by the date certain provided in the bill.

According to DSHS, the current laboratory where newborn screening tests are conducted is at full capacity and does not have space to begin ramp-up activities to implement DMD screening tests. The agency has indicated that the addition of DMD or any other tests to the Texas Newborn Screening Panel would require additional laboratory construction.

To illustrate possible costs related solely to the new screening, the agency has noted that once additional space is constructed, ramp-up activities for adding DMD to the Texas Newborn Screening Panel will take two to four years before testing can begin. DSHS estimates that the first year ramp up costs would be \$710,320 and \$2,937,025 in the second year, all from the General Revenue Fund. DSHS would require 9.0 full-time equivalent positions (FTEs) in year 1 and 12.0 FTEs in year 2.

After the first two years, revenue from Medicaid reimbursements, based on a DMD test cost of \$11.87, is estimated to total \$4,053,400 in year 3, \$4,912,721 in year 4, and \$4,961,849 in year 5, which would be deposited into Account 709, Public Health Medicaid Reimbursements. Revenue from private pay insurance, based on a DMD test cost of \$5.23, is estimated to total \$780,272 in year 3, \$1,576,149 in year 4, and \$1,591,909 in year 5, which would be deposited into General Revenue-Dedicated Account 524, Public Health Services Fees.

The Health and Human Services Commission (HHSC) pays DSHS for Medicaid and Children's Health Insurance Program (CHIP) newborn testing through an interagency contract (IAC). HHSC would not have any costs until DSHS implements DMD testing.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time. DSHS will not be able to fully implement the bill until additional laboratory space becomes available.

**Source Agencies:** 529 Health and Human Services Commission, 537 State Health Services, Department of

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