

SENATE AMENDMENTS

2nd Printing

By: Rose, Thompson of Harris, Walle, Thierry,
Reynolds, et al.

H.B. No. 133

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the Medicaid eligibility of certain women after a
3 pregnancy.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 32.024, Human Resources Code, is amended
6 by adding Subsection (1-1) to read as follows:

7 (1-1) The commission shall continue to provide medical
8 assistance to a woman who is eligible for medical assistance for
9 pregnant women for a period of not less than 12 months following the
10 date the woman delivers or experiences an involuntary miscarriage.

11 SECTION 2. If before implementing any provision of this Act
12 a state agency determines that a waiver or authorization from a
13 federal agency is necessary for implementation of that provision,
14 the agency affected by the provision shall request the waiver or
15 authorization and may delay implementing that provision until the
16 waiver or authorization is granted.

17 SECTION 3. This Act takes effect September 1, 2021.

ADOPTED

MAY 26 2021

Lately Spaw
Secretary of the Senate

By: KOLKHORST

H.B. No. 133

Substitute the following for H.B. No. 133:

By: *J. Buckner*

C.S.H.B. No. 133

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the provision of certain benefits under Medicaid and
3 the Healthy Texas Women program, including the transition of case
4 management for children and pregnant women program services and
5 Healthy Texas Women program services to a managed care program.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subchapter A, Chapter 533, Government Code, is
8 amended by adding Section 533.002555 to read as follows:

9 Sec. 533.002555. TRANSITION OF CASE MANAGEMENT FOR CHILDREN
10 AND PREGNANT WOMEN PROGRAM RECIPIENTS TO MANAGED CARE PROGRAM. (a)
11 In this section, "children and pregnant women program" means the
12 benefits program provided under Medicaid and administered by the
13 Department of State Health Services that provides case management
14 services to children who have a health condition or health risk and
15 pregnant women who have a high-risk condition.

16 (b) The commission shall transition to a Medicaid managed
17 care model all case management services provided to recipients
18 under the children and pregnant women program. In transitioning
19 services under this section, the commission shall ensure a
20 recipient is provided case management services through the managed
21 care plan in which the recipient is enrolled.

22 (c) In implementing this section, the commission shall
23 ensure:

24 (1) a seamless transition in case management for

1 recipients receiving benefits under the children and pregnant women
2 program; and

3 (2) case management services provided under the
4 program are not interrupted.

5 SECTION 2. Subchapter F, Chapter 32, Health and Safety
6 Code, is amended by amending Section 32.152 and adding Sections
7 32.156 and 32.157 to read as follows:

8 Sec. 32.152. ~~[ASSESSING]~~ PROVISION OF HEALTHY TEXAS WOMEN
9 PROGRAM SERVICES THROUGH MANAGED CARE. (a) The commission shall
10 contract ~~[assess]~~

11 ~~[(1) the feasibility and cost-effectiveness of~~
12 ~~contracting]~~ with Medicaid managed care organizations to provide
13 Healthy Texas Women program services ~~[through managed care in one~~
14 ~~or more health care service regions in this state if the Healthy~~
15 ~~Texas Women Section 1115 Demonstration Waiver is approved; and~~

16 ~~[(2) the potential impact of that delivery model on~~
17 ~~women receiving services under the program].~~

18 (b) In implementing this section, the commission shall:

19 (1) consult with the state Medicaid managed care
20 advisory committee before contracting with Medicaid managed care
21 organizations to provide Healthy Texas Women program services under
22 this section;

23 (2) identify barriers that prevent women from
24 obtaining Healthy Texas Women program services and seek
25 opportunities to mitigate those barriers; and

26 (3) designate Healthy Texas Women program service
27 providers as significant traditional providers until at least the

1 third anniversary of the date the commission initially contracts
2 with Medicaid managed care organizations to provide program
3 services. [This section expires September 1, 2021.]

4 Sec. 32.156. INFORMATION ABOUT AVAILABILITY OF SUBSIDIZED
5 HEALTH INSURANCE COVERAGE. (a) The commission and each managed
6 care organization participating in the Healthy Texas Women program
7 shall provide a written notice containing information about
8 eligibility requirements for and enrollment in a health benefit
9 plan for which an enrollee receives a premium subsidy under the
10 Patient Protection and Affordable Care Act (Pub. L. No. 111-148),
11 based on family income, to a woman who:

12 (1) is enrolled in the Healthy Texas Women program;

13 and

14 (2) has a household income that is more than 100
15 percent but not more than 200 percent of the federal poverty level.

16 (b) The commission, in consultation with the Texas
17 Department of Insurance, shall develop the form and content of the
18 notice required under this section. The notice must include:

19 (1) the latest information written in clear and easily
20 understood language on available options for obtaining a subsidized
21 health benefit plan described by Subsection (a); and

22 (2) resources for receiving assistance applying for
23 and enrolling in that health benefit plan.

24 Sec. 32.157. ASSESSING AUTOMATIC ENROLLMENT OF CERTAIN
25 WOMEN IN MANAGED CARE. (a) Not later than January 1, 2023, the
26 commission shall assess the feasibility, cost-effectiveness, and
27 benefits of automatically enrolling in managed care the women who

1 become pregnant while receiving services through the Healthy Texas
2 Women program. The assessment must examine whether automatically
3 enrolling those women leads to the delivery of prenatal care and
4 services earlier in the women's pregnancies.

5 (b) This section expires September 1, 2023.

6 SECTION 3. Section 32.024, Human Resources Code, is amended
7 by adding Subsection (1-1) to read as follows:

8 (1-1) The commission shall continue to provide medical
9 assistance to a woman who is eligible for medical assistance for
10 pregnant women for a period of not less than six months following
11 the date the woman delivers or experiences an involuntary
12 miscarriage.

13 SECTION 4. As soon as practicable after the effective date
14 of this Act, the executive commissioner of the Health and Human
15 Services Commission shall adopt rules necessary to implement the
16 changes in law made by this Act.

17 SECTION 5. If before implementing any provision of this Act
18 a state agency determines that a waiver or authorization from a
19 federal agency is necessary for implementation of that provision,
20 the agency affected by the provision shall request the waiver or
21 authorization and may delay implementing that provision until the
22 waiver or authorization is granted.

23 SECTION 6. The Health and Human Services Commission is
24 required to implement a provision of this Act only if the
25 legislature appropriates money specifically for that purpose. If
26 the legislature does not appropriate money specifically for that
27 purpose, the Health and Human Services Commission may, but is not

1 required to, implement a provision of this Act using other
2 appropriations available for that purpose.

3 SECTION 7. This Act takes effect September 1, 2021.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 27, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB133 by Rose (Relating to the provision of certain benefits under Medicaid and the Healthy Texas Women program, including the transition of case management for children and pregnant women program services and Healthy Texas Women program services to a managed care program.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB133, As Passed 2nd House : a negative impact of (\$45,761,921) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. The Health and Human Services Commission (HHSC) and Department of State Health Services (DSHS) are required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money for that purpose, HHSC and DSHS may, but are not required to, implement a provision of this Act using other appropriations available for that purpose.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	(\$1,389,227)
2023	(\$44,372,694)
2024	(\$36,385,239)
2025	(\$45,216,530)
2026	(\$49,376,717)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund 1</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>
2022	\$0	(\$1,389,227)	(\$2,526,773)	\$0
2023	\$0	(\$45,977,138)	(\$77,242,170)	\$1,203,333
2024	(\$111,605)	(\$42,030,253)	(\$77,746,842)	\$4,317,464
2025	(\$459,129)	(\$50,419,349)	(\$100,651,473)	\$4,246,461
2026	(\$472,182)	(\$52,768,246)	(\$103,820,880)	\$2,897,784

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from Foundation School Fund 193</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	\$0	0.0
2023	\$401,111	2.0
2024	\$1,439,155	5.0
2025	\$1,415,487	5.0
2026	\$965,927	5.0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to continue to provide Medicaid to women enrolled during a pregnancy for at least six months after delivery or miscarriage.

The bill would amend Chapter 533 of the Government Code to transition Medicaid case management services for children and pregnant women currently provided by the Department of State Health Services (DSHS) to a Medicaid managed care model.

The bill would amend Chapter 32 of the Health and Safety Code to require HHSC to contract with managed care organizations (MCOs) to provide Healthy Texas Women (HTW) program services. HHSC and each MCO participating in the HTW program would be required to provide certain information regarding premium subsidies available for health benefit plans to certain women enrolled in HTW. HHSC would be required to work with the Texas Department of Insurance (TDI) to develop this information. Additionally, HHSC would be required to evaluate the feasibility, cost effectiveness, and benefits of automatically enrolling into a managed care plan a woman who becomes pregnant while enrolled in HTW.

Methodology

The bill would result in women enrolled in Medicaid during pregnancy receiving an additional four months of coverage under the program. The extended coverage is expected to result in savings to the Medicaid program from averted births and savings to the Healthy Texas Women program because women who enrolled into, and received services from, that program would instead receive those benefits through extended Medicaid coverage. It is assumed that it would take one year to receive all necessary federal approvals and to make required system changes; therefore, it is assumed extended coverage would begin in fiscal year 2023. It is assumed that women enrolled on September 1, 2022 would be eligible to receive extended coverage; costs would be reduced if the provisions of the bill only applied to women enrolling in coverage for pregnant women on or after that date.

There is an estimated cost of \$2.3 million in All Funds, including \$0.8 million in General Revenue, in fiscal year 2022 to implement modifications to the Texas Integrated Eligibility Redesign System (TIERS). Additionally, it is assumed that 22.6 full-time equivalents (FTEs) would be needed in fiscal year 2023, and 25.6 FTEs in subsequent years, to manage eligibility determinations for the increased caseload because the commission assumes the extended coverage would be implemented as a new enrollment group requiring a new eligibility determination following the initial postpartum coverage period. Staffing costs are estimated to be \$1.5 million in All Funds, including \$0.8 million in General Revenue, in fiscal year 2023 and each subsequent year.

The additional average monthly caseload associated with extended coverage is estimated to be 46,379 in fiscal year 2023, increasing to a range of 52,732 to 53,889 in fiscal years 2024 to 2026 when fully ramped up. The average monthly cost per recipient is estimated to be \$249.08 in fiscal year 2023, increasing in each subsequent year to \$266.72 in fiscal year 2026. The total estimated cost of the extended coverage is estimated to be \$138.6 million in All Funds, including \$54.1 million in General Revenue, in fiscal year 2023 increasing in each subsequent year to \$172.5 million in All Funds, including \$68.4 million in General Revenue, by fiscal year 2026.

Estimated Medicaid savings associated with averted births, including reduced costs for pregnant women and newborns, is \$4.1 million in All Funds, including \$1.6 million in General Revenue, in fiscal year 2023, increasing in each subsequent year to \$72.8 million in All Funds, including \$28.8 million in General Revenue, by fiscal year 2026. Estimated savings to the Healthy Texas Women program is \$12.9 million in All Funds, including \$7.2 million in General Revenue, in fiscal year 2023.

According to HHSC, in order to carve case management and HTW into managed care, updates would need to be made to TIERS and Eligibility Support Technology (EST). The cost of the updates is estimated to be \$1.6 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2022. Additionally, carving HTW into managed care would result in an increased cost for the enrollment broker, estimated to be \$1.3 million in fiscal year 2024 and \$0.4 million in each subsequent year. It is assumed these costs would receive a 50 percent federal matching rate.

This analysis assumes case management for children and pregnant women would be carved into managed care on September 1, 2022. It is assumed case management services currently provided by DSHS staff would be provided by MCO contracted providers, resulting in a decrease of 20.6 FTEs at DSHS starting in fiscal year 2023. Additional managed care costs for administration, premium tax, and risk margin are estimated to cost of \$0.1 million in All Funds, including a savings of \$0.1 million in General Revenue due to a higher matching rate, each fiscal year.

This analysis assumes HTW would be carved into managed care on June 1, 2024. Managed care costs for administration, premium tax, and risk margin are estimated to cost \$15.9 million in All Funds, including \$5.1 million in General Revenue, in fiscal year 2024, \$64.1 million in All Funds, including \$20.7 million in General Revenue, in fiscal year 2025, and \$65.3 million in All Funds, including \$21.0 million in General Revenue, in fiscal year 2026.

Due to approval of the Healthy Texas Women Section 1115 Demonstration Waiver, savings and costs related to non-postpartum services provided through Healthy Texas Women are assumed to be a mix of General Revenue and Federal Funds. This analysis assumes the waiver approval will be extended after the current expiration date of December 31, 2024. If, however, the waiver approval expires, savings and costs would accrue to General Revenue. Savings and costs related to postpartum care services, known as Healthy Texas Women Plus, which are not currently included in the Healthy Texas Women waiver, are assumed to be General Revenue. However, if HHSC's application to add postpartum care services to the Healthy Texas Women 1115 Waiver is approved, a portion of the savings and costs would accrue to federal funds.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$1.6 million in fiscal year 2023, \$5.8 million in fiscal year 2024, \$5.7 million in fiscal year 2025, and \$3.9 million in fiscal year 2026. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

Total technology costs are estimated to be \$3.9 million in fiscal year 2022 for upgrades to TIERS and EST and less than \$0.1 million in each subsequent year for FTE-related technology costs.

Local Government Impact

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

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, SD, AKI, JLI, RD, WP, KT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 22, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB133 by Rose (Relating to the provision of certain benefits under Medicaid and the Healthy Texas Women program, including the transition of case management for children and pregnant women program services and Healthy Texas Women program services to a managed care program.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB133, Committee Report 2nd House, Substituted : a negative impact of (\$45,761,921) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill. The Health and Human Services Commission (HHSC) and Department of State Health Services (DSHS) are required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money for that purpose, HHSC and DSHS may, but are not required to, implement a provision of this Act using other appropriations available for that purpose.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	(\$1,389,227)
2023	(\$44,372,694)
2024	(\$36,385,239)
2025	(\$45,216,530)
2026	(\$49,376,717)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>GR Match For Medicaid</i> 758	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1
2022	\$0	(\$1,389,227)	(\$2,526,773)	\$0
2023	\$0	(\$45,977,138)	(\$77,242,170)	\$1,203,333
2024	(\$111,605)	(\$42,030,253)	(\$77,746,842)	\$4,317,464
2025	(\$459,129)	(\$50,419,349)	(\$100,651,473)	\$4,246,461
2026	(\$472,182)	(\$52,768,246)	(\$103,820,880)	\$2,897,784

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from Foundation School Fund 193	<i>Change in Number of State Employees from FY 2021</i>
2022	\$0	0.0
2023	\$401,111	2.0
2024	\$1,439,155	5.0
2025	\$1,415,487	5.0
2026	\$965,927	5.0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to continue to provide Medicaid to women enrolled during a pregnancy for at least six months after delivery or miscarriage.

The bill would amend Chapter 533 of the Government Code to transition Medicaid case management services for children and pregnant women currently provided by the Department of State Health Services (DSHS) to a Medicaid managed care model.

The bill would amend Chapter 32 of the Health and Safety Code to require HHSC to contract with managed care organizations (MCOs) to provide Healthy Texas Women (HTW) program services. HHSC and each MCO participating in the HTW program would be required to provide certain information regarding premium subsidies available for health benefit plans to certain women enrolled in HTW. HHSC would be required to work with the Texas Department of Insurance (TDI) to develop this information. Additionally, HHSC would be required to evaluate the feasibility, cost effectiveness, and benefits of automatically enrolling into a managed care plan a woman who becomes pregnant while enrolled in HTW.

Methodology

The bill would result in women enrolled in Medicaid during pregnancy receiving an additional four months of coverage under the program. The extended coverage is expected to result in savings to the Medicaid program from averted births and savings to the Healthy Texas Women program because women who enrolled into, and received services from, that program would instead receive those benefits through extended Medicaid coverage. It is assumed that it would take one year to receive all necessary federal approvals and to make required system changes; therefore, it is assumed extended coverage would begin in fiscal year 2023. It is assumed that women enrolled on September 1, 2022 would be eligible to receive extended coverage; costs would be reduced if the provisions of the bill only applied to women enrolling in coverage for pregnant women on or after that date.

There is an estimated cost of \$2.3 million in All Funds, including \$0.8 million in General Revenue, in fiscal year 2022 to implement modifications to the Texas Integrated Eligibility Redesign System (TIERS). Additionally, it is assumed that 22.6 full-time equivalents (FTEs) would be needed in fiscal year 2023, and 25.6 FTEs in subsequent years, to manage eligibility determinations for the increased caseload because the commission assumes the extended coverage would be implemented as a new enrollment group requiring a new eligibility determination following the initial postpartum coverage period. Staffing costs are estimated to be \$1.5 million in All Funds, including \$0.8 million in General Revenue, in fiscal year 2023 and each subsequent year.

The additional average monthly caseload associated with extended coverage is estimated to be 46,379 in fiscal year 2023, increasing to a range of 52,732 to 53,889 in fiscal years 2024 to 2026 when fully ramped up. The average monthly cost per recipient is estimated to be \$249.08 in fiscal year 2023, increasing in each subsequent year to \$266.72 in fiscal year 2026. The total estimated cost of the extended coverage is estimated to be \$138.6 million in All Funds, including \$54.1 million in General Revenue, in fiscal year 2023 increasing in each subsequent year to \$172.5 million in All Funds, including \$68.4 million in General Revenue, by fiscal year 2026.

Estimated Medicaid savings associated with averted births, including reduced costs for pregnant women and newborns, is \$4.1 million in All Funds, including \$1.6 million in General Revenue, in fiscal year 2023, increasing in each subsequent year to \$72.8 million in All Funds, including \$28.8 million in General Revenue, by fiscal year 2026. Estimated savings to the Healthy Texas Women program is \$12.9 million in All Funds, including \$7.2 million in General Revenue, in fiscal year 2023.

According to HHSC, in order to carve case management and HTW into managed care, updates would need to be made to TIERS and Eligibility Support Technology (EST). The cost of the updates is estimated to be \$1.6 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2022. Additionally, carving HTW into managed care would result in an increased cost for the enrollment broker, estimated to be \$1.3 million in fiscal year 2024 and \$0.4 million in each subsequent year. It is assumed these costs would receive a 50 percent federal matching rate.

This analysis assumes case management for children and pregnant women would be carved into managed care on September 1, 2022. It is assumed case management services currently provided by DSHS staff would be provided by MCO contracted providers, resulting in a decrease of 20.6 FTEs at DSHS starting in fiscal year 2023. Additional managed care costs for administration, premium tax, and risk margin are estimated to cost of \$0.1 million in All Funds, including a savings of \$0.1 million in General Revenue due to a higher matching rate, each fiscal year.

This analysis assumes HTW would be carved into managed care on June 1, 2024. Managed care costs for administration, premium tax, and risk margin are estimated to cost \$15.9 million in All Funds, including \$5.1 million in General Revenue, in fiscal year 2024, \$64.1 million in All Funds, including \$20.7 million in General Revenue, in fiscal year 2025, and \$65.3 million in All Funds, including \$21.0 million in General Revenue, in fiscal year 2026.

Due to approval of the Healthy Texas Women Section 1115 Demonstration Waiver, savings and costs related to non-postpartum services provided through Healthy Texas Women are assumed to be a mix of General Revenue and Federal Funds. This analysis assumes the waiver approval will be extended after the current expiration date of December 31, 2024. If, however, the waiver approval expires, savings and costs would accrue to General Revenue. Savings and costs related to postpartum care services, known as Healthy Texas Women Plus, which are not currently included in the Healthy Texas Women waiver, are assumed to be General Revenue. However, if HHSC's application to add postpartum care services to the Healthy Texas Women 1115 Waiver is approved, a portion of the savings and costs would accrue to federal funds.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$1.6 million in fiscal year 2023, \$5.8 million in fiscal year 2024, \$5.7 million in fiscal year 2025, and \$3.9 million in fiscal year 2026. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

Total technology costs are estimated to be \$3.9 million in fiscal year 2022 for upgrades to TIERS and EST and less than \$0.1 million in each subsequent year for FTE-related technology costs.

Local Government Impact

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

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, JLI, RD, WP, KT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 17, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB133 by Rose (Relating to the Medicaid eligibility of certain women after a pregnancy.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB133, As Engrossed : a negative impact of (\$83,975,769) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	(\$580,500)
2023	(\$83,395,269)
2024	(\$102,338,088)
2025	(\$77,841,042)
2026	(\$84,487,317)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555	Probable Savings from GR Match For Medicaid 758	Probable Savings from Federal Funds 555
2022	(\$580,500)	(\$1,741,500)	\$0	\$0
2023	(\$98,180,585)	(\$152,431,831)	\$11,924,781	\$11,812,202
2024	(\$157,523,928)	(\$244,112,554)	\$46,179,011	\$53,984,967
2025	(\$157,194,219)	(\$242,621,533)	\$74,548,959	\$94,709,235
2026	(\$163,934,663)	(\$248,684,080)	\$76,165,112	\$94,984,830

<i>Fiscal Year</i>	Probable Revenue Gain from General Revenue Fund 1	Probable Revenue Gain from Foundation School Fund 193	Change in Number of State Employees from FY 2021
2022	\$0	\$0	0.0
2023	\$2,145,401	\$715,134	43.0
2024	\$6,755,122	\$2,251,707	60.4
2025	\$3,603,163	\$1,201,055	60.4
2026	\$2,461,675	\$820,559	60.4

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to continue to provide Medicaid to women enrolled during a pregnancy for at least 12 months after delivery or miscarriage.

Methodology

The bill would result in women enrolled in Medicaid during pregnancy receiving an additional ten months of coverage under the program. The extended coverage is expected to result in savings to the Medicaid program from averted births and savings to the Healthy Texas Women program because women who enrolled into, and received services from, that program would instead receive those benefits through extended Medicaid coverage. It is assumed that it would take one year to receive all necessary federal approvals and to make required system changes; therefore, it is assumed extended coverage would begin in fiscal year 2023. It is assumed that women enrolled on September 1, 2022 would be eligible to receive extended coverage; costs would be reduced if the provisions of the bill only applied to women enrolling in coverage for pregnant women on or after that date.

There is an estimated cost of \$2.3 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2022 to implement modifications to the Texas Integrated Eligibility Redesign System (TIERS). Additionally, it is assumed that 43.0 full-time equivalents (FTEs) would be needed in fiscal year 2023, and 60.4 FTEs in subsequent years, to manage eligibility determinations for the increased caseload because the commission assumes the extended coverage would be implemented as a new enrollment group requiring a new eligibility determination following the initial postpartum coverage period. Staffing costs are estimated to be \$2.9 million in All Funds, including \$1.4 million in General Revenue, in fiscal year 2023, \$3.7 million in All Funds, including \$1.9 million in General Revenue, in fiscal year 2024, and \$3.6 million in All Funds, including \$1.8 million in General Revenue, in subsequent years.

The additional average monthly caseload associated with extended coverage is estimated to be 82,879 in fiscal year 2023, increasing to a range of 127,227 to 131,025 in fiscal years 2024 to 2026 when fully ramped up. The average monthly cost per recipient is estimated to be \$249.08 in fiscal year 2023, increasing in each subsequent year to \$266.72 in fiscal year 2026. The total estimated cost of the extended coverage is estimated to be \$247.7 million in All Funds, including \$96.7 million in General Revenue, in fiscal year 2023 increasing in each subsequent year to \$409.0 million in All Funds, including \$162.1 million in General Revenue, by fiscal year 2026.

Estimated savings associated with averted births, including reduced costs for pregnant women and newborns, is \$4.0 million in All Funds, including \$1.6 million in General Revenue, in fiscal year 2023, increasing in each subsequent year to \$153.6 million in All Funds, including \$60.9 million in General Revenue, by fiscal year 2026. Estimated savings to the Healthy Texas Women program is \$19.7 million in All Funds, including \$10.4 million in General Revenue, fiscal year 2023. Due to approval of the Healthy Texas Women Section 1115 Demonstration Waiver, savings related to non-postpartum services provided through Healthy Texas Women are assumed to be a mix of General Revenue and Federal Funds. Savings related to postpartum care services, known as Healthy Texas Women Plus, which are not currently included in the Healthy Texas Women waiver, are assumed to be General Revenue. However, if HHSC's application to add postpartum care services to the Healthy Texas Women 1115 Waiver is approved, a portion of the savings would accrue to federal funds.

The net increased cost including client services and administration is estimated to be \$226.9 million in All Funds, including \$86.3 million in General Revenue, in fiscal year 2023, increasing to \$301.5 million in All Funds, including \$111.3 million in General Revenue, in fiscal year 2024, then decreasing to \$230.6 million in All Funds, including \$82.6 million in General Revenue, in fiscal year 2025 and \$241.5 million in All Funds, including \$87.8 million in General Revenue, in fiscal year 2026.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$2.9 million in fiscal year 2023, \$9.0 million in fiscal year 2024, \$4.8 million in fiscal year 2025, and \$3.3 million in fiscal year 2026. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

The cost for modifications to the Texas Integrated Eligibility Redesign System (TIERS) is estimated at \$2.3 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2022. FTE-related technology costs are estimated to be \$69,875 in All Funds, including \$34,937 in General Revenue in fiscal year 2023. FTE-related technology costs are estimated to decrease of \$53,043 in All Funds, including \$26,521 in General Revenue, in fiscal year 2024, and \$34,790 in all Funds, including \$17,395 in General Revenue, in subsequent fiscal years.

Local Government Impact

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

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, JLI, RD, WP, KT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 22, 2021

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB133 by Rose (Relating to the Medicaid eligibility of certain women after a pregnancy.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB133, As Introduced : a negative impact of (\$83,975,769) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$580,500)
2023	(\$83,395,269)
2024	(\$102,338,088)
2025	(\$77,841,042)
2026	(\$84,487,317)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from GR Match For Medicaid 758</i>	<i>Probable (Cost) from Federal Funds 555</i>	<i>Probable Savings from GR Match For Medicaid 758</i>	<i>Probable Savings from Federal Funds 555</i>
2022	(\$580,500)	(\$1,741,500)	\$0	\$0
2023	(\$98,180,585)	(\$152,431,831)	\$11,924,781	\$11,812,202
2024	(\$157,523,928)	(\$244,112,554)	\$46,179,011	\$53,984,967
2025	(\$157,194,219)	(\$242,621,533)	\$74,548,959	\$94,709,235
2026	(\$163,934,663)	(\$248,684,080)	\$76,165,112	\$94,984,830

<i>Fiscal Year</i>	<i>Probable Revenue Gain from General Revenue Fund 1</i>	<i>Probable Revenue Gain from Foundation School Fund 193</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	\$0	\$0	0.0
2023	\$2,145,401	\$715,134	43.0
2024	\$6,755,122	\$2,251,707	60.4
2025	\$3,603,163	\$1,201,055	60.4
2026	\$2,461,675	\$820,559	60.4

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to continue to provide Medicaid to women enrolled during a pregnancy for at least 12 months after delivery or miscarriage.

Methodology

The bill would result in women enrolled in Medicaid during pregnancy receiving an additional ten months of coverage under the program. The extended coverage is expected to result in savings to the Medicaid program from averted births and savings to the Healthy Texas Women program because women who enrolled into, and received services from, that program would instead receive those benefits through extended Medicaid coverage. It is assumed that it would take one year to receive all necessary federal approvals and to make required system changes; therefore, it is assumed extended coverage would begin in fiscal year 2023. It is assumed that women enrolled on September 1, 2022 would be eligible to receive extended coverage; costs would be reduced if the provisions of the bill only applied to women enrolling in coverage for pregnant women on or after that date.

There is an estimated cost of \$2.3 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2022 to implement modifications to the Texas Integrated Eligibility Redesign System (TIERS). Additionally, it is assumed that 43.0 full-time equivalents (FTEs) would be needed in fiscal year 2023, and 60.4 FTEs in subsequent years, to manage eligibility determinations for the increased caseload because the commission assumes the extended coverage would be implemented as a new enrollment group requiring a new eligibility determination following the initial postpartum coverage period. Staffing costs are estimated to be \$2.9 million in All Funds, including \$1.4 million in General Revenue, in fiscal year 2023, \$3.7 million in All Funds, including \$1.9 million in General Revenue, in fiscal year 2024, and \$3.6 million in All Funds, including \$1.8 million in General Revenue, in subsequent years.

The additional average monthly caseload associated with extended coverage is estimated to be 82,879 in fiscal year 2023, increasing to a range of 127,227 to 131,025 in fiscal years 2024 to 2026 when fully ramped up. The average monthly cost per recipient is estimated to be \$249.08 in fiscal year 2023, increasing in each subsequent year to \$266.72 in fiscal year 2026. The total estimated cost of the extended coverage is estimated to be \$247.7 million in All Funds, including \$96.7 million in General Revenue, in fiscal year 2023 increasing in each subsequent year to \$409.0 million in All Funds, including \$162.1 million in General Revenue, by fiscal year 2026.

Estimated savings associated with averted births, including reduced costs for pregnant women and newborns, is \$4.0 million in All Funds, including \$1.6 million in General Revenue, in fiscal year 2023, increasing in each subsequent year to \$153.6 million in All Funds, including \$60.9 million in General Revenue, by fiscal year 2026. Estimated savings to the Healthy Texas Women program is \$19.7 million in All Funds, including \$10.4 million in General Revenue, fiscal year 2023. Due to approval of the Healthy Texas Women Section 1115 Demonstration Waiver, savings related to non-postpartum services provided through Healthy Texas Women are assumed to be a mix of General Revenue and Federal Funds. Savings related to postpartum care services, known as Healthy Texas Women Plus, which are not currently included in the Healthy Texas Women waiver, are assumed to be General Revenue. However, if HHSC's application to add postpartum care services to the Healthy Texas Women 1115 Waiver is approved, a portion of the savings would accrue to federal funds.

The net increased cost including client services and administration is estimated to be \$226.9 million in All Funds, including \$86.3 million in General Revenue, in fiscal year 2023, increasing to \$301.5 million in All Funds, including \$111.3 million in General Revenue, in fiscal year 2024, then decreasing to \$230.6 million in All Funds, including \$82.6 million in General Revenue, in fiscal year 2025 and \$241.5 million in All Funds, including \$87.8 million in General Revenue, in fiscal year 2026.

The net increases in client services payments through managed care are assumed to result in an increase to insurance premium tax revenue, estimated as 1.75 percent of the increased managed care expenditures. Revenue is adjusted for assumed timing of payments and prepayments resulting in assumed increased collections of \$2.9 million in fiscal year 2023, \$9.0 million in fiscal year 2024, \$4.8 million in fiscal year 2025, and \$3.3 million in fiscal year 2026. Pursuant to Section 227.001(b), Insurance Code, 25 percent of the revenue is assumed to be deposited to the credit of the Foundation School Fund.

Technology

The cost for modifications to the Texas Integrated Eligibility Redesign System (TIERS) is estimated at \$2.3 million in All Funds, including \$0.6 million in General Revenue, in fiscal year 2022. FTE-related technology costs are estimated to be \$69,875 in All Funds, including \$34,937 in General Revenue in fiscal year 2023. FTE-related technology costs are estimated to decrease of \$53,043 in All Funds, including \$26,521 in General Revenue, in fiscal year 2024, and \$34,790 in all Funds, including \$17,395 in General Revenue, in subsequent fiscal years.

Local Government Impact

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

Source Agencies: 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, JLI, RD, WP, KT