LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 2, 2023

TO: Honorable Stephanie Klick, Chair, House Committee on Public Health

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2235** by Jones, Venton (Relating to HIV and AIDS tests.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2235, As Introduced : a negative impact of ($3,934,695) through the biennium ending August 31, 2025.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to *General Revenue Related Funds*
2024	($1,676,787)
2025	($2,257,908)
2026	($2,285,177)
2027	($2,332,642)
2028	($2,362,051)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from *General Revenue Fund* 1	Probable (Cost) from *Federal Funds* 555	Probable Revenue Gain from *General Revenue Fund* 1	Probable Revenue Gain from *Foundation School Fund* 193
2024	($1,724,014)	($2,663,907)	$35,420	$11,807
2025	($2,393,390)	($3,612,606)	$101,612	$33,870
2026	($2,399,726)	($3,622,171)	$85,912	$28,637
2027	($2,430,874)	($3,669,186)	$73,674	$24,558
2028	($2,462,220)	($3,716,499)	$75,127	$25,042

Fiscal Analysis

The bill would allow a health care provider who takes a sample of an individual's blood as part of a medical screening to submit the sample for an HIV diagnostic test unless the individual opts out of the HIV test.

The bill would require a health care provider to obtain an individual's written consent for an HIV diagnostic test or verbally inform the individual that the test will be performed unless the individual opts out of the test.

The bill would require a health care provider who submits an individual's blood for an HIV diagnostic test to provide information on available HIV health services and referrals to community support programs to any individuals who tests positive.

The bill would require the executive commissioner of the Health and Human Services Commission to adopt rules considering the most recent recommendations of the Centers for Disease Control and Prevention for HIV testing of adults and adolescents.

Methodology

According to the Health and Human Services Commission (HHSC), HIV testing is already covered in Medicaid and Healthy Texas Women services (HTW). Texas Medicaid, HTW, and the Centers for Disease Control and Prevention already allow an opt-out process for HIV testing if general informed consent for testing is already obtained. To implement the bill, HHSC Medicaid and CHIP Services (MCS) would be required to amend Texas Administrative Code (TAC) rules. MCS would update medical policy and the provider handbook to make policy align with the bill language.

HHSC MCS assumes increased service utilization and claims due to increased awareness about the ability to use an opt-out process for testing. HHSC MCS assumes providers will submit samples for an HIV test regardless of whether an HIV test is part of a primary diagnosis unless an individual opts out, increasing utilization of diagnostic tests.

Based on HHSC's assumptions, the client services related costs for HIV Testing is estimated to be $1.7 million in General Revenue ($4.4 million in All Funds) in fiscal year 2024 and $2.4 million in General Revenue in fiscal year 2025 ($6.0 million in All Funds) in 2025. The lower amount in fiscal year 2024 is based on a January 1, 2024 implementation date. The estimate considers caseload growth trends, costs per HIV test, opt out rate reviews, and number of new test estimates. The agency assumes a Federal Medical Assistance Percentage (FMAP) for the Medicaid program of 60.13 percent for fiscal year 2024 and 60.15 for fiscal year 2025.

HHSC estimates that additional premium tax revenue would be less than $0.1 million in in fiscal year 2024 and $0.1 million in fiscal year 2025.

It is assumed that any costs associated with implementation of the bill could be absorbed using existing resources at the Department of State Health Services (DSHS). However, DSHS anticipates an increase in the number of individuals that will test positive for HIV due the increased number of tests that will occur once the bill is implemented. Based on screening data in fiscal year 2022, DSHS assumes an increase of the number of people who will participate in the Texas HIV Medication Program (THMP), and this would provide an increase in costs for the agency after implementation.

Local Government Impact

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

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance, 503 Texas Medical Board, 529 Health and Human Services Commission, 537 State Health Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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