BDR 38-297
AB 208(R1)

UNSOLICITED

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 20, 2023

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Medical Services (Expense)			$240,269	$1,048,446
Personnel Services (3158) (Expense)		$54,802	$75,761	$151,522
In-state Travel (3158) (Expense)		$3,791	$4,388	$8,776
Operating (3158) (Expense)		$2,249	$3,050	$6,100
Equipment/Furniture (3158) (Expense)		$2,454		
Information Services (3158) (Expense)		$3,307	$713	$1,426
System Costs (MMIS) (Expense)		$69,440		
Total	0	$136,043	$324,181	$1,216,270

Explanation (Use Additional Sheets of Attachments, if required)

Upon review of Reprint 1 of Assembly Bill 208, DHCFP is submitting an updated unsolicited fiscal note. In the bill as introduced, the language indicated that DHCFP would be required to amend an existing waiver to add a family caregiving service for individuals with dementia. The fiscal note attached to the bill as introduced showed higher costs as federal regulations do not allow Medicaid programs to target a secondary group within an existing waiver; the family caregiving service would be available to any recipient currently on the waiver (with or without dementia).

Reprint 1 allows DHCFP to apply for a new waiver, which would allow the DHCFP to target individuals with dementia to receive family caregiving service. As such, the fiscal note for this bill is reduced significantly. To project costs for medical services, DHCFP developed an estimated payment using a blended rate for assisted living, chores, and respite services. The total rate was multiplied by the estimated number of patients and annualized. Savings are captured for nursing facility costs, hospital stays related to dementia, and a decrease in personal care services. This analysis uses a start date of 1/1/25 as it will take some time to develop and submit the waiver application to CMS.

One full time employee is also being requested to assist in developing and maintaining the waiver program. Establishing a new waiver would also require a new provider type be created in MMIS, leading to system costs. The total computable impact for medical services in the FY24-25 biennium is $240,269 ($58,444 in state funds). Staffing costs for the FY24-25 biennium total $150,515 ($75,258 in state funds); system costs total $69,440 ($17,360 in state funds).

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Fiscal Impact Analysis

Division of Health Care Financing and Policy
BDR 38-297 Structured Family Caregiving
Analysis Summary

Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY22	$0	$0	$0	$0
FY23	$0	$0	$0	$0
Total	$0	$0	$0	$0

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$0	$0	$0	$0
FY25	$240,269	$147,940	$58,444	$33,885
Total	$240,269	$147,940	$58,444	$33,885

Description of Budget Concept

This BDR estimates the cost of creating a family caregiving service under a new HCBS waiver. There is also a mandate that providers pass on at least 65 percent of the per diem rate paid to the caregiver.

Methodology

1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS using the following parameters for this provider type/service:
SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount

2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

3) A new per diem was calculated by combining the rate for assisted living, chore, and respite. This new rate was annualized applied to a waiver slot count of 100.

4) Nursing facility savings was based on an assumed percentage of utilization of nursing facility patients with a dementia diagnosis code and assuming some of the patients under the new waiver would avoid being placed in a nursing facility. Savings were also applied for inpatient hospital stays with a primary diagnosis of dementia and for personal care services that would be replaced with the new structured family caregiving service.

5) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections.

6) FMAP rates were applied to determine the federal share of estimated costs. Note that the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to align with the 2023 Federal FY Omnibus Appropriations Bill, which allows the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3); 1.5% (CY23 Q4).