BDR 38-297
AB 208

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 23, 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 (FE Waiver) (Expense)		$12,997,040	$29,412,511	$58,825,022
Medical Services (PD Waiver) (Expense)		$7,144,095	$16,167,200	$32,334,400
Personnel Services (Expense)		$54,802	$75,761	$151,522
In-state travel (Expense)		$3,791	$4,388	$8,776
Operating (Expense)		$2,249	$3,050	$6,100
Equipment/Furniture (Expense)		$2,454		
Information Services (Expense)		$3,307	$713	$1,426
System changes to MMIS (Expense)		$13,440		
Total	0	$20,221,178	$45,663,623	$91,327,246

Explanation (Use Additional Sheets of Attachments, if required)

The Division of Health Care Financing and Policy (DHCFP) has reviewed this BDR and determined that it will have a fiscal impact on the Division.
This BDR requires the Division amend an existing waiver to allow family caregiving services to be performed under the waiver. Family caregiving services would be provided by a caregiver chosen by the Medicaid recipient; the caregiver would provide case management, personal care, personal assistance, homemaker, and health-related services to the recipient while working for an intermediary service organization (ISO). The ISO is required to pay at least 65% of the per diem rate to the caregiver.
The state estimated a per diem rate for this service using a blend of existing rates for attendant care, chore, and respite services under existing waivers. The Division analyzed the percentage of current waiver recipients utilizing attendant care services and used that amount to project the caseload of recipients who would receive family caregiving services. The Division assumes savings would occur for existing attendant care, chore, and respite care services as recipients would receive the new family caregiving service in place of existing services. The total computable impact to medical budgets of covering the new service in the 24-25 biennium is $65,720,846 (state share $15,901,236). This BDR would also require additional staffing at a total computable cost of $150,515 (state share $75,257) and system changes at a total computable cost of $13,440 (state share $3,360).

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Thursday, February 23, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

Fiscal Impact Analysis

Division of Health Care Financing and Policy
Physically Disabled Waiver Impact BDR 38-297
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	$7,144,095	$4,446,485	$1,707,587	$990,023
FY25	$16,167,200	$9,954,549	$3,932,608	$2,280,043
Total	$23,311,295	$14,401,034	$5,640,195	$3,270,066

Description of Budget Concept

This BDR estimates the cost of adding a family caregiving service to the physically disabled waiver provider type (58). 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, *Provider type 58*

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 the patient population for the Physically Disabled Waiver. A utilization rate for home assisted living was gathered by utilization of Assisted Living and Attendant Care Services. The rate was 43.66% utilization to give a projected impact. The projected cost was reduced to account for some existing services being replaced by the new family caregiving service.

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

5) 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).

Fiscal Impact Analysis

Division of Health Care Financing and Policy
Frail Elderly Waiver Impact BDR 38-297
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	$12,997,040	$8,089,357	$3,106,563	$1,801,120
FY25	$29,412,511	$18,110,018	$7,154,478	$4,148,015
Total	$42,409,551	$26,199,375	$10,261,041	$5,949,135

Description of Budget Concept

This BDR estimates the cost of adding a family caregiving service to the frail elderly waiver provider types (48, 57, and 59). 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, *Provider types 48, 57, 59.*

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 the patient population for the Frail and Elderly Waiver. A utilization rate for home assisted living was gathered by utilization of Assisted Living and Attendant Care Services. The rate was 34.20% utilization to give a projected impact. The projected cost was reduced to account for some existing services being replaced by the new family caregiving service.

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

5) 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).

Fiscal Impact Analysis

Division of Health Care Financing and Policy
FE and PD Combined Impact
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	$20,141,135	$12,535,842	$4,814,150	$2,791,143
FY25	$45,579,711	$28,064,567	$11,087,086	$6,428,058
Total	$65,720,846	$40,600,409	$15,901,236	$9,219,201

Description of Budget Concept

This fiscal analysis combines the impact of changes proposed for both the physically disabled (PD) and frail elderly (FE) waivers.