

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB 968

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Jenkins

3. Committee: Health, Welfare, and Institutions

4. Title: State plan for medical assistance services; covered services

5. Summary: The proposed legislation directs the Board of Medical Assistance Services to amend the state plan for medical assistance services to include provisions for adult dental care and eye care. Eye care includes annual eye examinations, treatment of medical conditions of the eye, and provision of prescription eyeglasses for adults.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary
Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2020	-	-
2021	\$39,069,229	General
2021	\$96,635,064	Nongeneral
2022	\$51,933,426	General
2022	\$129,129,285	Nongeneral
2023	\$53,413,882	General
2023	\$133,849,887	Nongeneral
2024	\$54,902,717	General
2024	\$138,635,961	Nongeneral
2025	\$56,435,793	General
2025	\$143,604,794	Nongeneral
2026	\$58,014,436	General
2026	\$148,763,531	Nongeneral

- 8. Fiscal Implications:** This bill adds new services for vision, and adds to the scope of existing dental services, for Medicaid-enrolled adults that would result in a cost increase for both the fee-for-service (FFS) and managed care programs.

Based on available data, DMAS projects that for FY 2021, 8,032,088 individuals enrolled in Medicaid would gain access to enhanced dental services at a cost of \$117,338,226 total funds (\$33,929,462 general fund). This number would increase to 8,362,227 members in FY 2022 and the total cost is estimated to be \$161,944,473 (\$46,596,461 general fund). The out-year costs are based on an assumption that the population of covered individuals would increase by approximately three percent each year.

Newly added vision services for adults in FY 2021 is expected to add 2,308,836 individuals totaling \$13,912,269 (\$4,058,636 general fund). In FY 2022 DMAS projects that this number will grow to 2,320,384 individuals and the cost of services will total \$15,522,481 (\$4,472,588 general fund). Similar to dental, DMAS assumes that out-year costs would be grow as the population increases by three percent each year.

Currently, DMAS utilizes a benefits administrator to manage the delivery of existing dental services. DMAS assumes that the expanded dental and vision services required by this bill would be similarly administered. As such, DMAS estimates the costs of managing the services included in this bill at \$3,453,798 total funds (\$831,131 general fund) in FY 2021, and \$3,595,758 total funds (\$864,377 general fund) in FY 2022.

DMAS maintains that the implementation of this bill would require one-time modifications to the existing Medicaid Management Information System (MMIS) as well as the new Medicaid Enterprise System (MES) modules. The agency estimates that this effort would cost \$1,000,000 total funds (\$250,000 general fund) in fiscal year 2021. Subject to federal approval, DMAS assumes that any additional MMIS cost would be supported with 75 percent federal funds.

- 9. Specific Agency or Political Subdivisions Affected:**
Department of Medical Assistance

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** None