

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB 603

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Freitas

3. Committee: Health, Welfare and Institutions

4. Title: Reimbursement for Services, Family Members

5. Summary: The proposed legislation requires the Department of Medical Assistance Services (DMAS) to allow family members, including spouses, to be reimbursed for providing waiver services to Medicaid enrollees.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates: Preliminary

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund*</i>
2020	-	General
2020	-	Nongeneral
2021	\$1,542,028	General
2021	\$1,542,028	Nongeneral
2022	\$3,870,489	General
2022	\$3,870,489	Nongeneral
2023	\$4,064,014	General
2023	\$4,064,014	Nongeneral
2024	\$4,267,214	General
2024	\$4,267,214	Nongeneral
2025	\$4,480,575	General
2025	\$4,480,575	Nongeneral
2026	\$4,704,604	General
2026	\$4,704,604	Nongeneral

*Should a federal waiver allowing the provisions of this bill not be approved, all nongeneral fund costs identified in this statement would have to be covered with general fund dollars.

8. Fiscal Implications: The bill requires DMAS to allow reimbursement to family members for providing waiver services to Medicaid enrollees. Currently, DMAS does not reimburse legally responsible relatives (spouses or parents of a minor child) who provide waiver services, and Centers for Medicare and Medicaid Services (CMS) does not provide federal matching funds for payments to legally responsible relatives absent a waiver. Waivers can be obtained allowing reimbursement to these relatives if they provide extraordinary care, defined as services that exceed the range of activities that a legally responsible relative would ordinarily perform on behalf of a person of the same age without a disability or chronic illness. For estimating the impact of the bill, DMAS assumes that the waiver is obtained and newly paid services under this bill would receive appropriate matching funds. However, should the waiver not be approved by CMS, all nongeneral fund costs identified in this statement would have to be covered with general fund dollars. DMAS assumes a six-month timeline to submit and obtain CMS approval.

Consumer directed attendant care allows the recipient to select an attendant from the community and after coordination and background checks, that attendant can provide authorized hours of care for personal care, respite care, and companion care. It is not possible to develop an exact cost based on available data; however, DMAS has generated an estimated fiscal impact based on the following assumptions:

- In FY 2017, DMAS paid \$114 million for consumer directed care for individuals under the age of 19. Approximately 19 percent of the authorized hours were not utilized. DMAS estimates that 25 percent of those unused hours, representing a value of \$5.4 million total funds, may have been provided by a legally responsible relative.
- In FY 2017, consumer directed expenditures for married adults was \$27.7 million. Of these members, approximately 6.5 percent of authorized hours were not utilized. DMAS estimates that 25 percent of those unused hours may have been provided by a spouse, which would have increased expenditures by \$0.5 million total funds.
- DMAS assumes no new additional hours would be authorized because of the bill.
- DMAS assumes five percent expenditure growth per year for this care starting January 1, 2021, after obtaining a waiver from CMS with one month of payment lag.

Based on the above assumptions, DMAS estimates a fiscal impact of \$3.0 million total funds (\$1.5 million general fund) in FY 2021 and \$7.7 million total funds (\$3.9 million GF) in FY22.

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None