

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** HB 1021

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

**2. Patron:** Wilt

**3. Committee:** Health and Human Services

**4. Title:** Community services boards, local; waiver usage flexibility

**5. Summary:** The proposed legislation directs the Department of Medical Assistance Services (DMAS) and the Department of Behavioral Health and Developmental Services to amend their regulations to allow local community services boards the discretion to convert allocated Community Living (CL) waivers to Family and Individual Support (FIS) waivers and Building Independence (BI) waivers if the CL waivers are not being utilized and will not be utilized in the foreseeable future. The bill requires DMAS to seek any necessary federal approvals to effectuate this modification through the submission of a state plan for medical assistance services amendment to the Centers for Medicare and Medicaid Services.

**6. Budget Amendment Necessary:** Yes, Item 288.

**7. Fiscal Impact Estimates:** Preliminary, See Item 8.

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2025	\$3,828,554	General Fund
2025	\$3,992,802	Non-General Funds
2026	\$3,833,247	General Fund
2026	\$3,988,109	Non-General Funds
2027	\$3,833,247	General Fund
2027	\$3,988,109	Non-General Funds
2028	\$3,833,247	General Fund
2028	\$3,988,109	Non-General Funds
2029	\$3,833,247	General Fund
2029	\$3,988,109	Non-General Funds
2030	\$3,833,247	General Fund
2030	\$3,988,109	Non-General Funds

**8. Fiscal Implications:** DMAS reports that there were 143 unutilized CL waiver slots in FY 2023. For the purposes of this estimate, the agency assumes that this number would be available for re-allocation in FY 2025 and all waiver slots would be converted. In addition, DMAS assumes that 90 percent of the available CL waiver slots would be converted into FIS

waiver slots and 10 percent would become BI waiver slots. The average annual cost of a FIS and BI waiver slots are \$58,307 and \$22,187 respectively.

The expected cost of a waiver slot is appropriated when that slot is authorized in the Appropriation Act. However, if a slot goes unused it would not have associated expenditures and its ongoing cost would not be included in the annual official forecast of Medicaid expenditures. Therefore, DMAS assumes that, while still authorized, the unutilized CL slots are not technically budgeted in the introduced budget. Therefore, if these slots are converted and subsequently utilized, then additional costs would be incurred.

Based on the above assumptions, DMAS estimates this proposal will cost \$7.8 million (\$3.3 million general fund) in FY 2025 and \$7.8 million in FY 2026. Note: Estimates assume federal match of 50.99 percent after October 1, 2024.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Medical Assistance Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None