

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB 1064

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

2. Patron: Willett

3. Committee: Health and Human Services

4. Title: Neurobehavioral science unit; established, waiver services for individuals w/traumatic brain injury

5. Summary: The proposed legislation directs the Department of Medical Assistance Services to seek authority through the state plan for medical assistance services to implement a neurobehavioral science unit and to submit an amendment to the state plan for medical assistance services to the Centers for Medicare and Medicaid Services to receive federal approval to administer neurorestorative and rehabilitative services for qualifying individuals with traumatic brain injury and neurocognitive diagnoses. The bill authorizes the Department to promulgate emergency regulations to implement the neurobehavioral science unit and the traumatic brain injury and neurocognitive diagnoses services waiver upon approval and directs the Department to convene a work group of relevant stakeholders to provide updates on the progress and the implementation of the neurobehavioral science unit and the traumatic brain injury and neurocognitive diagnoses services waiver.

6. Budget Amendment Necessary: Yes, Item 288 and 292.

7. Fiscal Impact Estimates: Preliminary. See Item 8

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2025	\$10,785,521	General Fund
2025	\$21,886,591	Non-General Funds
2026	\$76,455,513	General Fund
2026	\$155,886,362	Non-General Funds
2027	\$155,869,677	General Fund
2027	\$317,795,774	Non-General Funds
2028	\$158,968,713	General Fund
2028	\$324,133,332	Non-General Funds
2029	\$164,568,488	General Fund
2029	\$335,584,924	Non-General Funds
2030	\$170,599,514	General Fund
2030	\$347,918,429	Non-General Funds

- 8. Fiscal Implications:** As part of a 2022 report (Planning for the Development of Services for Individuals with Brain Injuries and Neuro-Cognitive Disorders required by Item 308 CC.2., 2022 Appropriation Act), the Department of Medical Assistance Services (DMAS) worked with a contractor to estimate the costs of adding neurobehavioral and neurorehabilitative facilities to the Medicaid state plan and to design and estimate the costs of a 1915(c) home and community-based waiver for qualifying individuals with brain injuries. These findings are used as the basis for the assumptions and cost estimates included in this statement.

The bill directs DMAS to establish coverage for neurobehavioral and neurorehabilitation facilities by January 1, 2025. DMAS and the hired contract estimated annual utilization of 575 individuals each year in the neurobehavioral unit. At any one time an average of 284 individuals would be admitted to these facilities, with an average cost per diem of \$714.74. This is the weighted average of three tiers of care. These services would be primarily covered through managed care and DMAS assumes one month lag of payments. After FY 2025 DMAS assumes a two percent increase in costs per year. Sixty-seven percent of the eligible population is expected to be enrolled in base Medicaid with a 50.99 percent federal match. The remaining 33 percent would be covered by Medicaid Expansion with a 90 percent federal match and the state share of costs supported by a provider assessment. DMAS estimates the cost of the neurobehavioral units will be \$30.8 million (\$10.1 million general) in FY 2025 and \$74.0 million (\$24.3 million general fund) in FY 2026.

Fiscal Year	Dollars	Fund
2025	\$10,126,866	General Fund
2025	\$20,709,536	Non-General Funds
2026	\$24,304,479	General Fund
2026	\$49,702,886	Non-General Funds
2027	\$24,750,061	General Fund
2027	\$50,614,106	Non-General Funds
2028	\$25,245,062	General Fund
2028	\$51,626,388	Non-General Funds

DMAS reports that the proposed brain injury waiver is expected to enroll 22,434 individuals. Based on assumptions of utilization of an array of services including residential supports, personal care, in-home supports, and clubhouse care, DMAS estimates the monthly cost of a brain injury waiver member to be \$2,891. Fifty-five percent of the waiver members are expected to come from the current CCC+ waiver and so offsets of \$1,445 were removed from the waiver costs to get to a new cost per month of \$1,446. Waiver enrollment and expenditures are assumed to ramp up over the first six months. Sixty-seven percent of the eligible population is expected to be enrolled in base Medicaid with a 50.99 percent federal match. The remaining 33 percent would be covered by Medicaid Expansion with a 90 percent federal match and the state share of costs supported by a provider assessment. As such, DMAS estimates the cost of the brain injury waiver to be \$269.5 million (\$88.5 million general fund) in FY 2026 and \$693.2 million (\$227.7 million general fund) in FY 2027.

Fiscal Year	Dollars	Fund
2025	\$0	General Fund
2025	\$0	Non-General Funds
2026	\$51,395,179	General Fund
2026	\$105,103,621	Non-General Funds
2027	\$130,201,760	General Fund
2027	\$266,263,813	Non-General Funds
2028	\$132,805,796	General Fund
2028	\$271,589,090	Non-General Funds

In addition to the service costs for the new program, DMAS reports that four full-time employees would be needed to support this program. In addition, the agency maintains that there would be costs associated with information technology system updates, as well as federally mandated contract modifications. These administrative costs are estimated to be \$1.8 million (\$0.7 million general fund) in FY 2025 and \$1.8 million (\$0.7 million general fund) in FY 2026.

9. Specific Agency or Political Subdivisions Affected:
the Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: This bill is similar to HB 1064.