

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB 127

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

2. Patron: Watts

3. Committee: Health and Human Services

4. Title: DMAS & DBHDS; modification of rules for 1915(c) Home & Community Based Services Medicaid Waivers

5. Summary: The proposed legislation directs the Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services to seek to modify the program rules for 1915(c) Home and Community Based Services Medicaid Waivers to disregard Social Security Disability Insurance in calculating eligibility for 1915(c) Home and Community Based Services (HCBS) Medicaid Waivers.

6. Budget Amendment Necessary: Yes, Item 288.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2024	-	-
2025	\$5,790,943 \$6,958,098	General Nongeneral
2026	\$16,587,917 \$19,923,393	General Nongeneral
2027	\$20,276,001 \$24,353,072	General Nongeneral
2028	\$21,760,914 \$26,136,570	General Nongeneral
2029	\$22,926,600 \$27,536,650	General Nongeneral
2030	\$24,085,725 \$28,928,851	General Nongeneral

8. Fiscal Implications: The bill directs the Department of Medical Assistance Services (DMAS) to amend rules in a manner that would disregard Social Security Disability Insurance (SSDI) in calculating eligibility for 1915(c) Home and Community Based Services (HCBS) Waivers. Currently DMAS administers four 1915(c) HCBS waivers. Three of those, the Building Independence Waiver, the Community Living Waiver, and the Family and Individual Supports Waiver, are capped with a number of approved “slots”. The bill would not have an impact (increased cost) on those waivers due to the cap but the pool of eligible

individuals would increase. The fourth HCBS waiver, the Commonwealth Coordinated Care Plus (CCC+) Waiver is not capped and would be affected by the rule change.

For fiscal eligibility for HCBS waivers, members must have income less than or equal to 300 percent of the Supplemental Security Income (SSI) amount, which for 2024 is \$2,829 a month. The average monthly SSDI payment for 2024 is \$1,537 (ranges from \$100 to \$3,822). The current average payment amount is not more than the income eligibility limit by itself. For the most part, the rule change will allow SSDI recipients to obtain (limited) employment without putting their Medicaid medical coverage and waiver services benefit at risk.

Currently there are 45,000 members on the CCC+ waiver, 55 percent of whom are below the age of 65. For the purposes of this estimate, DMAS assumes that the proposed disregard of SSDI will allow an additional 50 members to gain eligibility each month. The number of new CCC+ members is expected to plateau at 900, or an increase of two percent in CCC+ membership. Further, DMAS reports that CCC+ members are expected to have waiver services costs per year of \$31,500 and medical services costs of \$14,800 in FY 2025. Monthly per member costs are estimated to be \$3,863.

Approximately 93 percent of CCC+ members are enrolled in base Medicaid which will have a federal match of 50.99 percent after October 1, 2024. The remainder are enrolled in Medicaid Expansion which is covered 90 percent by federal funds and the state share is supplied by a provider assessment. With the expected slow ramp up of new members, DMAS estimates the costs of the proposal to be \$12.7 million (\$5.8 million general fund) in FY 2025 and \$36.5 million (\$16.6 million general fund) in FY 2026.

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

Department of Behavioral Health and Developmental Services

10. Technical Amendment Necessary: No

11. Other Comments: None