

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB 488

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

2. Patron: Aird

3. Committee: Finance and Appropriations

4. Title: 1915(c) Home & Community Based Services Medicaid Waivers; federal authority state plan amendments

5. Summary: The proposed legislation directs the Department of Medical Assistance Services (DMAS) and the Department of Behavioral Health and Developmental Services to seek to modify the program rules for certain 1915(c) Home and Community Based Services Medicaid Waivers to:

- (i) Modify the 40-hour-per-week work limit to allow legally responsible individuals (LRI) with more than one waiver-receiving child to receive reimbursement for 40 hours of work per week per child receiving a waiver;
- (ii) Eliminate the requirement that, in order for a legally responsible individual to receive reimbursement for personal care services, no one else be available to provide services to the member; and,
- (iii) Allow a legally responsible individual or stepparent to be the employer of record when a member under the age of 18 receives personal care through consumer direction; and,
- (iv) Modify the program rules to allow for respite services when the legally responsible individual is the unpaid caregiver.

6. Budget Amendment Necessary: See Item 8.

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

Expenditure Impact: The following only reflects the cost of allowing respite care, no cost assumptions are included for the indeterminate impact of modifying the current 40-hour-perweek-limit.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2025	\$11,507,095	General Fund
2025	\$13,491,975	Non-General Funds
2026	\$13,139,760	General Fund
2026	\$15,381,906	Non-General Funds
2027	\$13,796,748	General Fund
2027	\$16,151,001	Non-General Funds
2028	\$14,486,586	General Fund
2028	\$16,958,551	Non-General Funds

2029	\$15,210,915	General Fund
2029	\$17,806,478	Non-General Funds
2030	\$15,971,461	General Fund
2030	\$18,696,802	Non-General Funds

- 8. Fiscal Implications:** Two of the bill's provisions, to eliminate the no service availability requirement for LRI reimbursement and allowing LRIs to be the employer of record, are not expected to have a fiscal impact. The reason no costs are assumed is that neither change is expected to impact authorized hours or service rates. However, the provisions that allow LRIs to exceed the 40 hour per week limit and allow respite services for unpaid LRI caregivers are both expected to increase costs.

Currently, if an individual who receives services through the HCBS waivers has a primary caregiver, then that individual is not allowed to receive respite services. DMAS assumes the majority of those that do not utilize respite care, do not use it because of the restriction. DMAS assumes that with the bill, those families with one paid and one unpaid caregiver will be able to receive respite for the unpaid caregiver. DMAS estimates that 75 percent of the 6,657 members restricted from using respite have two parent care givers and of those 95 percent or 4,743 would newly use respite services. Assuming one month of payment lag the first year and five percent growth thereafter, the fiscal impact of this provision of the bill is estimated at \$25.0 million total funds (\$11.5 million general fund) in fiscal year 2025 and \$28.5 million (\$13.1 million general fund) in fiscal year 2026.

LRIs will be permitted to work up to 40 hours per week. This 40-hour-per-week limit includes reimbursement when caring for multiple children. However, this limitation does not prevent a member from being authorized for more than 40 hours of care since personal care hours are authorized based on the member's documented needs. This limit is only for the number of hours a LRI may be reimbursed weekly. By allowing LRIs to receive reimbursement for 40 hours of work per week per child receiving a waiver, DMAS assumes that currently unbilled hours would be eligible for payment.

It is unknown how many individuals are LRIs to multiple children on waivers. DMAS found that in FY 2017, when attendant data was available, 1,524 attendants provided services to multiple waiver children. However, it is unknown how many hours of care are currently being unused, already being paid for and if allowed the LRI will replace current care. As such, a specific cost estimate for this proposal cannot be determined. To the extent members are utilizing all authorized hours, this bill would not have a fiscal impact. However, should this provision allow for the utilization of currently unused hours then additional costs would occur. For the illustrative purposes, should 10 percent of LRIs (170) be paid for an additional 40-hours per week of care throughout the year, the bill could cost approximately \$5.6 million annually (\$2.4 million general fund).

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

- 10. Technical Amendment Necessary:** No

11. Other Comments: None