

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB 615

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

2. Patron: Pillion

3. Committee: -

4. Title: State plan for medical assistance services; payment for certified community health workers

- 5. Summary:** The substitute bill requires the Department of Medical Assistance Services (DMAS) to convene a work group to design a community health worker services benefit for Medicaid-enrolled and CHIP-enrolled beneficiaries. The work group must consider the reimbursement methodology for the benefit, the services to be included in the benefit, the educational and training requirements community health workers must possess to furnish the benefit, and other considerations. The work group must complete its work and submit a report by December 1, 2024. The report must include the estimated cost of the benefit and any additional legislative authority required to implement the benefit.

The bill also provides that following the completion of the work group, if sufficient authority and funding are provided by the General Assembly, the Department must initiate the federal state plan amendment process to seek federal approval for a Medicaid community health worker services benefit. Upon approval of the state plan amendment by the Centers for Medicare and Medicaid Services, the Department must implement this change prior to completion of any regulatory process.

6. Budget Amendment Necessary: Yes, See Item 8.

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

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2024	-	-
2025	\$125,000 \$125,000	General Nongeneral
2026	-	-
2027	-	-
2028	-	-
2029	-	-
2030	-	-

- 8. Fiscal Implications:** Convening a workgroup composed of the required representatives is not expected to have any significant costs. However, DMAS maintains that the bill's requirement to "design a certified community health worker services benefit for Medicaid-enrolled and CHIP-enrolled beneficiaries" will require effort and expertise that is not available within existing agency resources. DMAS reports that this requirement would necessitate the development of services, protocols, and cost projections associated with a community health worker benefit. This would also include the development of actuarially sound rates for capitation and fee-for-service programs. Based on previous experiences, DMAS estimates that this bill would require one-time administrative funding of approximately \$250,000 (\$125,000 general fund) to procure the expertise, including actuarial services for rate development, necessary to develop this benefit within the timeframe required in the bill.

The allows for the implementation of a community health worker benefit if, following the completion of the workgroup, sufficient authority and funding are provided by the General Assembly. It is assumed that no such authority or funding exists and would need to be explicitly provided by the General Assembly. As such, this fiscal impact statement does not reflect any associated implementation costs. Currently there is not sufficient information to determine the cost of a Medicaid community health worker benefit as there are a wide variety of approaches to implementation. Based on National Academy for State Health Policy (NASHP) issue brief, 10 states have issued a community health worker benefit through their Medicaid program and reported costs ranging from \$0.2 million to \$20 million.

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

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** This bill is a companion to HB 594.