Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: HB 1720 Patron: Price

Bill Title: State plan for medical assistance services; violence prevention services benefit; work group

Bill Summary: The proposed legislation directs the Board of Medical Assistance Services to amend the state plan for medical assistance services to include a provision for payment of medical assistance for violence prevention services, defined in the bill, provided by a qualified violence prevention professional to an individual who receives medical treatment for an injury sustained as a result of community violence, defined in the bill, and who is determined by a health care provider to be at risk of repeat injury or retaliation. The bill also directs the Department of Medical Assistance Services (DMAS) to convene a work group to advise the Board on the design and implementation of the violence prevention services benefit and to post on its website the date upon which violence prevention services may be provided and billed pursuant to the provisions of the bill.

Budget Amendment Necessary: Yes **Items Impacted:** 288 and 292

FY2026

Explanation: Funding is required under both Medicaid Program Services and Administrative and Support

Services.

FY2025

Fiscal Summary: The proposed legislation will require expenditures for which the agency is not currently appropriated. See table and fiscal analysis below.

General Fund Expenditure Impact:

Agency

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DMAS (602)	-	\$1,578,099	\$2,789,008	\$2,928,458	\$3,074,881	\$3,228,625
Nongeneral Fund Expenditure Impact:						
Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DMAS (602)	-	\$1,607,099	\$2,849,908	\$2,992,403	\$3,142,024	\$3,299,125

FY2027

FY2028

FY2029

FY2030

Fiscal Analysis: 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 and implementation of the violence prevention services benefit" 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 violence prevention services 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 \$500,000 (\$250,000 general fund) to procure the expertise, including actuarial services for rate development, necessary to develop this benefit within the timeframe required in the bill.

In addition to requiring a workgroup to design the benefit, DMAS is also directed to begin making payments for violence prevention services. Since the final program design will be determined by the workgroup, there is no way to determine key benefit elements such as covered services, provider qualifications, and utilization

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limits. Without knowledge of these factors there is no method of determining an exact fiscal impact to the Commonwealth. However, effective July 1, 2023, Maryland received approval from the Centers for Medicare and Medicaid Services to reimburse for community violence prevention services. The projected 12-month fiscal impact of the Maryland program was \$4,551,183. Based on the proportional difference of Medicaid enrollment between Maryland and Virginia, DMAS estimates a comparable Virginia benefit would cost \$5,637,450 (\$2,788,283 general fund) in the first full year of implementation. It is assumed that it would take DMAS at least six months to design, implement, and gain federal approval for the new violence prevention services. As such, the FY 2026 costs assume a January 1, 2026, implementation.

Other: The introduced budget includes language in Item 288 that requires a reserve amount be appropriated for new Medicaid initiatives. In addition to the cost of the initiative, the reserve equals the difference between the general fund appropriated for the initiative in FY 2026 and the highest annual general fund cost of the initiative over the next six fiscal years. While not reflected in the table above, the reserve amount is estimated at \$2.1 million general fund for the initiative required by this bill. Act language also delays initiative implementation until the reserve requirement is met.