

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: HB823

Patron: Carr

Bill Title: Department of Medical Assistance Services; 1915(c) Home and Community Based Waivers; program rule amendments; direct support professionals.

Bill Summary: Directs the Department of Medical Assistance Services to seek the necessary approvals to amend the program rules for the Community Living and Family and Individual Supports Waivers to provide for compensation of a direct support professional for a waiver recipient in an acute care hospital under certain circumstances.

Budget Amendment Necessary: Yes

Items Impacted: 291, 295

Fiscal Summary: The proposed legislation has a fiscal impact on the Department of Medical Assistance Services.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DMAS (602)	\$0	\$769,256	\$1,650,428	\$1,690,038	\$1,730,599	\$1,772,134
TOTAL	\$0	\$769,256	\$1,650,428	\$1,690,038	\$1,730,599	\$1,772,134

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DMAS (602)	\$0	\$945,122	\$1,825,548	\$1,869,361	\$1,914,226	\$1,960,167
TOTAL	\$0	\$945,122	\$1,825,548	\$1,869,361	\$1,914,226	\$1,960,167

Fiscal Analysis: The Department of Medical Assistance Services (DMAS) reports that the average monthly bed days in acute care hospitals for developmental disability (DD) waiver recipients was 1,754 in FY 2025 and expects that to grow to 1,912 in FY 2026 with addition of more authorized waiver slots.

The rates and services limits under this legislation have not been established; however, DMAS assumes that personal care attendants would be utilized in the role of direct support professionals. The average hourly reimbursement rate for personal care attendants is currently \$18.06 and DMAS assumes individuals would receive eight hours of care per day. These assumptions apply to both consumer and agency directed care. Acute hospital bed days for DD waiver recipients increased by 2.4 percent in FY 2024 and that growth is expected to continue in subsequent years. It is assumed that it would take DMAS at least six months to design,

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implement, and gain federal approval for the new rates and codes related to direct support professionals. As such, the FY 2027 costs in this fiscal impact statement assume a January 1, 2027, implementation. DD waiver services are primarily paid with a fund split of approximately 50 percent federal funds.

Additionally, because the bill would require DMAS to develop a new service not currently offered in Virginia Medicaid, DMAS reports that this requirement would necessitate the development of services protocols, limitations, and rates. Based on previous experiences, DMAS estimates that this bill would require one-time administrative funding of approximately \$300,000 for the rate development necessary to develop this benefit within the timeframe required in the bill.

Based on the aforementioned factors, the new service is expected to cost approximately \$1.4 million (\$0.7 million general fund) in FY 2027 and \$3.5 million (\$1.7 million general fund) in FY 2028.

Other: -