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

PUBLISHED: 2/10/2026 2:37 PM **REVISED**

Bill Number: HB470 **Patron:** Cohen
Bill Title: Medicaid waivers; consumer-directed services, employer of record.

Bill Summary: Directs the Department of Medical Assistance Services (DMAS) to modify the program rules for consumer-directed services available through certain Medicaid waivers to allow an individual receiving services to serve as the employer of record (EOR) for his own service delivery and designate another individual to perform all or a portion of the duties of the EOR on the individual's behalf when the individual receiving services is unable to perform such duties or direct his own care. The bill specifies that when an individual (i) has not yet reached the age of majority, (ii) is ineligible to use his existing employer identification number (EIN) to facilitate the taxation of benefits, or (iii) is otherwise determined to be ineligible by DMAS by administrative rule, the EIN shall be assigned to the individual receiving services and shall not be transferred to another individual. Under the bill, DMAS has the authority to limit such amendments to specify that an individual receiving services may make such designation no more than twice per calendar year.

Budget Amendment Necessary: No **Items Impacted:** None

Fiscal Summary: After conversation with the contractor, DMAS has provided updated information on the cost of the systems changes associated with this bill. DMAS now indicates that the cost of the necessary modifications are minimal and can be absorbed by the agency. The impact on medical services paid for by DMAS is indeterminate.

Fiscal Analysis: DMAS reports that this bill requires modification to the Fiscal Employer Agent (F/EA) contract to update the systems and to allow for secondary service delivery approval authority as the employer of record (EOR). While DMAS originally communicated that additional funding was needed to cover these costs, based on similar experiences, the agency now indicates that the impact will be minimal and can be absorbed within its administrative appropriation.

The impact on medical services paid for by the Department of Medical Assistance Services is indeterminate. As of November 2025, 31,662 Medicaid members were enrolled in consumer direction. DMAS indicates that it is unclear to what extent the bill’s changes to EOR eligibility would have on service delivery, payment, or care.

Other: -