

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

**1. Bill Number:** HB 499

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

**2. Patron:** Cohen

**3. Committee:** Health and Human Services

**4. Title:** Medicaid waivers; program rule modifications

**5. Summary:** The proposed legislation directs the Department of Medical Assistance Services (DMAS) and the Department of Behavioral Health and Developmental Services to modify the program rules for certain Medicaid waivers to eliminate the requirement that certain visits for individuals enrolled in Family and Individual Support Waivers, Community Living Waivers, Building Independence Waivers, and CCC Plus Waivers be conducted face-to-face.

**6. Budget Amendment Necessary:** Yes, Item 288.

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

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2024	-	-
2025	\$2,225,448	General Fund
2025	\$2,311,141	Non-General Funds
2026	\$2,727,174	General Fund
2026	\$2,837,352	Non-General Funds
2027	\$2,789,199	General Fund
2027	\$2,901,883	Non-General Funds
2028	\$2,852,635	General Fund
2028	\$2,967,881	Non-General Funds
2029	\$2,917,513	General Fund
2029	\$3,035,381	Non-General Funds
2030	\$2,983,867	General Fund
2030	\$3,104,415	Non-General Funds

**8. Fiscal Implications:** The bill would permit certain services delivered to members in Home and Community Based Services (HCBS) waivers to be received virtually rather than face-to-face as is currently required. DMAS assumes this change would primarily impact the delivery of routine visits and management training (CPT codes 99509 and S5116) claims. There is a possibility that it would also impact consumer training (CPT code S5109.) However, this estimate presumes that it will not be affected.

DMAS reports that 26,821 individuals received routine visits in 2023. Individuals in fee-for-service (FFS) averaged 6.6 visits per year at an average cost of \$66.93 while those in managed care received 4.5 visits a year at an average cost of \$52.53. Based on the provisions of this bill, DMAS assumes that the average annual number of routine visit claims per individual will increase to approximately nine in FFS and eight in managed care.

Management training service is expected to be covered as a telehealth option for individuals in a developmental disability waiver regardless of this legislation. However, this bill would extend a telehealth option for this service to those individuals on the CCC+ waiver. DMAS reports that 13,564 individuals on the CCC+ waiver received management training in 2023. Individuals in fee-for-service (FFS) averaged 5.5 visits per year at an average cost of \$27.47 while those in managed care received 3 visits a year at an average cost of \$27.55. Based on the provisions of this bill, DMAS assumes that the average annual number of managed training claims for CCC+ will increase to approximately seven in FFS and five in managed care.

The full annual service cost in the first year would increase by \$5.4 million. However, DMAS assumes a seven month ramp up period and a start date of July 1, 2024. For an inflation factor, DMAS used the rate of growth of routine visit recipients from 2019 through 2023 which was 2.3 percent. Based on these assumptions, the total cost in FY 2025 is expected to be \$4.1 million (\$2.0 million general fund). In addition to the service impact, DMAS estimates \$456,000 is needed for one-time information technology and systems updates.

The full cost of this proposal is expected to be \$4.1 million (\$2.0 million general fund) in FY 2025 and \$5.6 million (\$2.3 million general fund) in FY 2026.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Medical Assistance Services

Department of Behavioral Health and Developmental Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None