



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1218

PRINTER'S NO. 1766

PRIME SPONSOR: Cerrato

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 1218, Printer's Number 1766 amends the act of June 13, 1967, known as the Human Services Code, to require the Department of Human Services to submit a waiver to the federal government that would allow payments to spouses who provide personal care services to a Medical Assistance recipient.

ANALYSIS:

This legislation amends the Human Services Code to require the Department of Human Services (DHS) to submit a waiver to the Centers for Medicare and Medicaid Services (CMS) that will allow the Medical Assistance (MA) program to pay spouses for providing personal care services to a Medical Assistance recipient.

Upon federal approval, the department must promulgate regulations necessary to implement this payment program.

This legislation will take effect in 180 days.

FISCAL IMPACT:

DHS believes that the fiscal impact of this legislation may be limited, as the department believes the waiver of the federal regulations will be limited to MA recipients that are in need of extraordinary care. Extraordinary care would exceed the range of ordinary care provided to the MA recipient and would require DHS to review and approve the requests for the extraordinary care. These limitations would result in fewer MA recipients receiving care compared to a more open approach to paying for personal care services provided by a spouse. DHS anticipates that there will be an increase to personnel and operating costs as there will be a need for additional staff to review requests and for hearing and appeals.

However, this fiscal note considers a waiver approval that may have less restrictions than those considered by DHS as CMS may allow for a less restrictive approach than what DHS assumes.

DHS – Personnel and Operating Costs

DHS may have increased costs related to the drafting, submission, and review process for this waiver. However, the current appropriations made to DHS should be able to cover these nominal cost increases. As required by this legislation, the department must submit the waiver within 180 days of the effective date of this legislation. Assuming enactment in September, the earliest this waiver will be submitted is March 2024.

Additionally, DHS may have higher personnel and operating costs if the approved waiver is more restrictive and requires prior authorization of personal care services provided by a spouse.

DHS – Medical Assistance Program Costs

A majority of the MA recipients that would be eligible to receive personal care services provided by a spouse are covered through the Community HealthChoices (CHC) program. Personal care services are currently provided through the Home and Community-based services part of that program and are factored into the rates paid by DHS to the CHC Managed Care Organizations (MCOs).

As required by this legislation, the submitted waiver will expand the list of providers for personal care services to include the MA recipient's spouse. Since these services are already covered under the CHC program, the MA recipient may already receive services from a non-spouse provider. The number of services already provided to the eligible MA recipient would lessen the potential fiscal impact to the CHC program. Additionally, if the approved waiver includes any restrictions, like the extraordinary care requirement, that will also reduce the fiscal impact to the CHC program.

DHS is required to pay rates to the CHC MCOs that are actuarially sound. Upon federal approval of this waiver, DHS will need to ensure that the CHC MCO rates remain actuarially sound. It is not possible to determine to what extent an approved waiver may increase the CHC MCO rates and so any fiscal impact cannot be determined at this time.

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House Appropriations Committee (D)

DATE: July 7, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.