

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB 991

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Runion

3. Committee: Appropriations

4. Title: Individuals with developmental disabilities; DMAS to amend waivers providing services, etc.

5. Summary: This legislation directs the Department of Medical Assistance Services to amend the Family and Individual Supports, Community Living, and Building Independence waivers to combine the maximum annual allowable amount for assistive technology, electronic home-based support services, and environmental modifications for an individual receiving waiver services, for an annual total of \$15,000. The department must report on its progress by December 1, 2022.

6. Budget Amendment Necessary: Yes, Item 304.

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

8. Fiscal Implications: This bill would combine the individual annual limitations of three services (assistive technology, environment modification, and electronic home-based support services) into one annual limit. Under current law, each service has a \$5,000 limit. This bill would give a limit of \$15,000 for all three services. Potential new costs would come from eligible individuals utilizing the expanded dollar limit for services.

The fiscal impact of this legislation cannot be readily determined as there is insufficient data to predict the actual impact of tripling the existing individual dollar limit for these services. While DMAS can draw upon historical claims to make an estimate, such a projection would not capture the impact a higher limit may have on relevant factors such as the availability of providers and purchasing options. As such, there is no clear methodology to ascertain how a higher spending limit would impact the cost of these services. The following information is provided as an illustration of the potential cost of this bill and should not be considered a final fiscal assessment. Should a more precise methodology be determined, then this statement will be revised.

There are currently 15,119 home and community based waiver slots authorized (Chapter 552, 2021 Acts of Assembly, Special Session I), most of which would be eligible for one or more of the impacted services. According to claims data from calendar year 2020, the number of members making use of these services were 431 for assistive technology, 166 for environmental modifications, and 68 for electronic home-based support services. While

there are a number of possibilities, it is unclear as to why relatively few eligible individuals (less than five percent of authorized slots) are utilizing these services. When compared to the current \$5,000 expenditure limits, on average, members used 37 percent of available dollars for assistive technology, 76 percent of environmental modification, and 97 percent of electronic home-based services. If it were assumed that these percentages would remain constant for the higher \$15,000 limit, then DMAS calculates a cost of approximately \$3.0 million (\$1.5 million general fund) annually. However, should the higher limit allow for greater utilization, then costs could be significantly higher. For illustration purposes, should half of the authorized waiver population utilize half of the proposed allowable combined limit (\$7,500), the total annual cost could be as high as \$55 million. Again, these projections are intended to demonstrate a range of potential costs as there is no clear way to determine a more precise impact with current information.

In addition to service costs, DMAS expects an administrative cost to conduct the “review of payment methodologies to maintain funding for the proposed changes to the Family and Individual Supports, Community Living, and Building Independence waivers in the future”. Based on similar studies, the agency reports a one-time fiscal impact of \$300,000 (approximately \$150,000 general fund).

9. Specific Agency or Political Subdivisions Affected:
Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None