



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

**Bill #** SB0030

**Title:** Allowing peer support services to be reimbursed under Medicaid

**Primary Sponsor:** Gross, Jen

**Status:** As Amended

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$765,603	\$803,883	\$844,078
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$1,431,250	\$1,502,812	\$1,577,953
Other	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$1,431,250	\$1,502,812	\$1,577,953
Other	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>(\$765,603)</u>	<u>(\$803,883)</u>	<u>(\$844,078)</u>

**Description of fiscal impact:** SB 30, as amended, proposes to allow certified behavioral health peer support services to be reimbursed under the Montana Medicaid program, resulting in a cost to the State of Montana. The Department of Public Health and Human Services (the department) will need to develop a new allowable state plan service for behavioral health peer support services. Amendments to SB 30 change the rate, the effective date and limit the service to those with a mental disorder, as defined in 53-21-102.

### FISCAL ANALYSIS

#### Assumptions:

1. The department assumes an adult member must be diagnosed with a mental disorder, as defined in 53-21-102 to be eligible for adult behavioral peer support services.
2. Medical necessity criteria will be specifically developed for behavioral health peer support services. This will include appropriate severity level guidelines for admission, continuation of service, and discharge.

3. For purposes of this fiscal note, medical necessity criteria will be like other Medicaid mental health home and community-based services: home support services and community based psychiatric rehabilitation & supports (CBPRS). The new behavioral peer support services are estimated to serve a similar population with approximately 5,018 adults eligible for services in FY 2020. The department assumes an annual growth of eligible adults at 5%.
4. Clients who are estimated to access these services will receive an average of four hours per month of individual behavioral health peer support. However, not all eligible adults will access this service each month. A service utilization factor of 61% is applied for FY 2021 and in each year thereafter. Sixty-one percent capacity represents a combination of service utilization and provider capacity.
5. The behavioral health peer support service is fee is estimated at \$40.00 per hour with an estimated growth rate of 1% per year.
6. The department estimates that 46.28% of behavioral health peer support services are reimbursable under regular HB 2 Medicaid, 42.72% are reimbursable under Medicaid Expansion and 11% are 100% federally reimbursable
7. The attached table shows the estimated benefit expenditures by fiscal year and estimated impacts by funding source.

<b>Estimate Per Member</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Estimated Eligible	-	5,269	5,532	5,809
Estimated Monthly Utilization (Hours)	-	12,856	13,499	14,174
Estimated Hourly Service Rate	-	40.00	40.00	40.00
Total (Annual hours x Rate)	\$ -	\$ 6,170,936	\$ 6,479,482	\$ 6,803,457
<b>FMAP</b>				
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Standard Medicaid</b>				
State Share	35.07%	34.85%	34.85%	34.85%
Federal Share	64.93%	65.15%	65.15%	65.15%
<b>Medicaid Expansion</b>				
State Share	8.74%	10.00%	10.00%	10.00%
Federal Share	91.26%	90.00%	90.00%	90.00%
<b>HB2 Funding</b>				
	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
State Share Medicaid	\$ -	\$ 765,603	\$ 803,883	\$ 844,078
Federal Share Medicaid	\$ -	\$ 1,431,250	\$ 1,502,812	\$ 1,577,953
TOTAL HB 2	\$ -	\$ 2,196,853	\$ 2,306,696	\$ 2,422,031
<b>Statutory Funding</b>				
100% Federal	\$ -	\$ 339,401	\$ 356,372	\$ 374,190
<b>Medicaid Expansion</b>				
	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2020</b>
State Share	\$ -	\$ 329,528	\$ 346,004	\$ 363,305
Federal Share	\$ -	\$ 2,965,752	\$ 3,114,039	\$ 3,269,741
100% Federal	\$ -	\$ 339,401	\$ 356,372	\$ 374,190
Medicaid Expansion Total	\$ -	\$ 3,634,681	\$ 3,816,415	\$ 4,007,236
TOTAL	\$ -	\$ 6,170,936	\$ 6,479,482	\$ 6,803,457

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Benefits	\$0	\$2,196,853	\$2,306,695	\$2,422,031
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$2,196,853</b>	<b>\$2,306,695</b>	<b>\$2,422,031</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$765,603	\$803,883	\$844,078
Federal Special Revenue (03)	\$0	\$1,431,250	\$1,502,812	\$1,577,953
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$2,196,853</b>	<b>\$2,306,695</b>	<b>\$2,422,031</b>
<b><u>Revenues:</u></b>				
Federal Special Revenue (03)	\$0	\$1,431,250	\$1,502,812	\$1,577,953
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$1,431,250</b>	<b>\$1,502,812</b>	<b>\$1,577,953</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	(\$765,603)	(\$803,883)	(\$844,078)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. There will be mental health services that will not be allowed concurrently with behavioral health peer support services. A list of allowable and non-allowable concurrent services will be identified during medical necessity development.
2. All substance abuse related behavioral health peer support services will be administered and budgeted in the Addictive and Mental Disorders Division (AMDD).
3. If individual practitioners are not working for a mental health center or incorporated health provider, there may be added costs for additional insurance (liability, workers compensation, etc.).
4. A state plan amendment establishing the rate must be written and sent to the Centers for Medicare and Medicaid Services (CMS) for approval. It must be approved to receive federal matching funds for this service.
5. Costs for this service for the Medicaid Expansion population are outlined in the table on page 2, but not included in the fiscal summary as the current program ends June 30, 2019. To the extent that a Medicaid Expansion program is renewed, these costs, as outlined, will need to be included in the budget for the department.
6. The fiscal impact associated with FQHC and RHC providers for SB 30 has changed due to moving from proposing utilization of the prospective payment system rate to a fee schedule rate. States are required to pay the PPS rate for FQHC core services and other ambulatory services (anything listed out in the Medicaid State Plan). According to information provided by CMS on February 6, 2019, peer support can be covered under a code change with language in the FQHC SPA stating the service is available but under fee for service reimbursement.
7. The hourly rate change from \$53.92 to \$40.00 will require approval by CMS.

**NO SPONSOR SIGNATURE**

*Sponsor's Initials*

*Date*

TL  
*Budget Director's Initials*

3/26/19  
*Date*