



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0485

Title: Establish reporting requirements for Medicaid/CHIP quality measures

Primary Sponsor: Gillette, Jane

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$72,815	\$65,675	\$65,877	\$66,493
State Special Revenue	\$2,819	\$2,709	\$2,741	\$2,791
Federal Special Revenue	\$126,295	\$78,463	\$78,792	\$79,609
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$126,295	\$78,463	\$78,792	\$79,609
Net Impact-General Fund Balance:	<u>(\$72,815)</u>	<u>(\$65,675)</u>	<u>(\$65,877)</u>	<u>(\$66,493)</u>

Description of fiscal impact: HB 485 requires the Department of Public Health and Human Services (DPHHS) to perform additional eligibility quality control reviews and requires additional data reporting of state health system performance measures.

FISCAL ANALYSIS

Assumptions:

1. New Section 1(1)(a)(i-ii) requires DPHHS to sample and report, twice the minimum number of active Medicaid cases as required under 42 CFR 431.812 and an equivalent number of active cases for the children's health insurance program (CHIP). This will require the Quality Assurance Division (QAD) to review an additional 400 active cases per year (200 Medicaid and 200 CHIP).
2. Each case is assumed to require 5.7 hours to complete. QAD will require an additional 1.0 Compliance Specialist FTE to review the additional 400 cases (400 cases * 5.7 hours = 2,280 hours). Salary and benefits

- for this position are estimated to be \$65,715 in FY 2022, one-time only office set up costs are estimated to be \$2,800, and operating costs associated with the FTE are estimated at 3% of personal services.
3. Annual costs for personal services and maintenance and operations are estimated to increase by 1.5% in FY 2024 and FY 2025.
 4. Funding for the Compliance Specialist is 40% general fund, 4% state special, and 56% federal funds.
 5. HB 485 requires DPHHS to report data for a minimum of 75% of the state health system performance measures included in the Medicaid and CHIP scorecard developed by the Centers for Medicare and Medicaid Services (CMS) no later than December 31, 2025. DPHHS will begin efforts to meet this requirement in FY 2022.
 6. DPHHS will report the ‘State Health System Performance Measures’ from the Centers for Medicare and Medicaid Services - Medicaid and Children's Health Insurance Program (CHIP) Scorecard. DPHHS will include the 2021 Child Core Set and 2021 Adult Core Set measures.
 7. CMS has defined the specific Child Core Set measures starting in federal fiscal year 2024 as noted in the Bipartisan Budget Act of 2018 (BBA, P.L. 115- 123).
 8. The Adult Behavioral Health core measures are defined by the Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act of 2018. These measures will be the baseline for this fiscal note.
 9. DPHHS will use the data collection method of “Administrative” for each measure as identified in the core set measure documents supplied, unless otherwise noted by CMS.
 10. DPHHS will utilize the MPATH electronic data warehouse (EDW) system and Population Health Data Analytics component to develop the annual quality measure reports.
 11. To implement the scorecards, there will be one-time costs for the data on-boarding of \$20,000, \$8,764 for the data exchange and \$24,750 for the development of reporting information. These costs are Medicaid Administrative services that receive an enhanced Federal Medical Assistance Percentage (FMAP) of 10 % general fund and 90% federal funds for implementation of new programs.
 12. The system costs for the EDW and the Population Health Data Analytics will incur a monthly maintenance and operations cost of \$325 for each data source. These costs are Medicaid Administrative services that receive Federal Medical Assistance Percentage (FMAP) of 25 % general fund and 75% federal funds for on-going maintenance and operation costs.
 13. DPHHS will require 1.0 FTE operations research analyst to collaborate with all DPHHS Medicaid and Healthy Montana Kids (HMK/CHIP) divisions to facilitate the establishment of annual quality improvement activities and methods of measurement; monitor for successful performance; and to develop, implement, and lead quality improvement initiatives to improve desired outcomes.
 14. Salary and benefits for this position are estimated to be \$72,790 in FY 2022, one-time only office set up costs are estimated to be \$2,800, and operating costs associated with the FTE are estimated at 3% of personal services. These costs are Medicaid Administrative services that receive Federal Medical Assistance Percentage (FMAP) of 50 % general fund and 50% federal funds for personal services.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$138,685	\$138,783	\$139,332	\$140,770
Operating Expenses	\$63,245	\$8,064	\$8,079	\$8,123
TOTAL Expenditures	\$201,930	\$146,847	\$147,411	\$148,893
<u>Funding of Expenditures:</u>				
General Fund (01)	\$72,815	\$65,675	\$65,877	\$66,493
State Special Revenue (02)	\$2,819	\$2,709	\$2,741	\$2,791
Federal Special Revenue (03)	\$126,295	\$78,463	\$78,792	\$79,609
TOTAL Funding of Exp.	\$201,930	\$146,847	\$147,411	\$148,893
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$126,295	\$78,463	\$78,792	\$79,609
TOTAL Revenues	\$126,295	\$78,463	\$78,792	\$79,609
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$72,815)	(\$65,675)	(\$65,877)	(\$66,493)
State Special Revenue (02)	(\$2,819)	(\$2,709)	(\$2,741)	(\$2,791)
Federal Special Revenue (03)	(\$0)	(\$0)	(\$0)	\$0

NOT SIGNED BY SPONSOR

Sponsor's Initials

2/24/21

Date

KA

Budget Director's Initials

2/23/21

Date