



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0449 - Provide for certified pediatric complex care assistant services (Buckley, Alice)

Status: As Introduced

- 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 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$90,345	\$179,639	\$185,563	\$191,576
State Special Revenue	\$8,000	\$8,000	\$8,000	\$8,000
Federal Special Revenue	\$159,988	\$321,027	\$331,614	\$342,360
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$8,000	\$8,000	\$8,000	\$8,000
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$90,345)</u>	<u>(\$179,639)</u>	<u>(\$185,563)</u>	<u>(\$191,576)</u>

Description of fiscal impact: HB 449 requires the Department of Public Health and Human Services (DPHHS) (department) to establish certification of pediatric complex care assistants to aid in providing nursing-related services for individuals under 21 and allows Medicaid coverage for these services effective July 1, 2023.

FISCAL ANALYSIS

Assumptions:

- Although HB 449 has an effective date of July 1, 2023, state plan and/or waiver amendments, administrative rule development, public comment, and program startup activities are anticipated to take DHPSS up to 180 days implement.
- For purposes of this fiscal note, it is anticipated that this new service will be implemented January 1, 2024, dependent upon Center for Medicare and Medicaid (CMS) approval.

3. The department will develop administrative rules to define medical complexity, eligible participants, services, rates, and limits.
4. Section 1(5)(d) requires the rate must be comparable to the reimbursement rate for home health aide services. For purposes of this fiscal note, DPHHS assumes that the rate for the service would be \$35.28 hour. The rate is based on the 2022 home health aide rate, according to the FY 2022 home health fee schedule. The home health aide rate is currently a per visit rate and will require review to determine if a different hourly rate is needed.
5. Based on a review of FY 2022 claims data, 39 individuals under the age of 21 received more than 10 hours a week in Medicaid-funded private duty nursing (PDN) services. The department assumes 50% of these individuals will have family members that complete the certification process as outlined in HB449. Therefore, the department assumes 20 individuals will receive services from a pediatric complex care assistant each year.
6. A discussion was held with developmental disability medical director to determine an estimate of hours per week. It is assumed that individuals will receive an average of 30 hours a week of pediatric complex care assistant services.
7. Direct benefit expenditures are estimated at \$550,368 (780 (30 x 52 x .50) hours x 35.28 x 20 individuals) for the six-month period in FY 2024; \$1,100,736 in FY 2025 (1,560 (30 x 52) hours x \$35.28 x 20 individuals); \$1,117,247 in FY 2026 (1560 (30 x 52) hours x \$35.28 x 20 individuals x 1.5% inflation); and \$1,134,006 in FY 2027 (1,560 (30 x 52) hours x \$35.28 x 20 individuals x 1.5% inflation).
8. DPHHS assumes children that are medically complex will still need some level of PDN services because family members will not be able to perform all nursing services even with the certification outlined in Section 1. The department does assume a portion of current PDN services will be offset with HB 449. For purposes of this analysis to estimate an offset, DPHHS assumes any child receiving more than 2,000 hours a year in PDN services will have an offset of 1,560 hours of PDN services under HB 449 as a private duty nurse at \$42.74 per hour. 9 of the 20 individuals meet this assumption resulting in a cost offset of \$600,070 annually (6 x 1,560 x \$42.74), for FY 2025, FY 2026, and FY 2027. For FY 2024, this cost savings is prorated at 6 months to \$300,035.
9. For this analysis, the department assumes the fee outlined in Section 1 subsection 2(a) will be \$200 based on a review of certification and licensure fees of other healthcare providers. For each individual receiving pediatric complex care assistant services, it is estimated there will be two family members who receive certifications resulting in 40 (20 x 2) individuals applying for certification each year, resulting in revenues of \$8,000 (\$200 x 40). This revenue would be offset with the costs estimated at \$8,000 for administering the certification requirements in Section 1.
10. The department assumes a 1.5% inflation factor for benefit costs in FY 2026 and FY 2027.
11. The benefit expenditures are eligible for the normal Medicaid federal medical assistance percentage (FMAP). FY 2024 at a 36.09% state, 63.91% federal and FY 2025, FY 2026, and FY 2027 at a 35.88% state, 63.91% federal split.

HB 449 Assumptions	FY 2024	FY 2025	FY 2026	FY 2027
Est number of eligible individuals	20	20	20	20
Months each year	6.0	12.0	12.0	12.0
HB 449 Est number individuals served	20	20	20	20
Service Rate				
Hours per FY (40 hours per week)	780	1,560	1,560	1,560
Est Service cost per hour	\$35.28	\$35.28	\$35.28	\$35.28
Est Annual Service Cost w/ 1.5% increase in FY26 & FY27	\$ 550,368	\$ 1,100,736	\$ 1,117,247	\$ 1,134,006
Private Duty Nursing Offset				
Est number of individuals	6	6	6	6
Hours	1,040	2,080	2,080	2,080
Rate	42.74	42.74	42.74	42.74
Offset Amount	\$ 266,698	\$ 533,395	\$ 533,395	\$ 533,395
Total New Cost	\$283,670.40	\$567,340.80	\$583,851.84	\$600,610.55
FMAP				
Standard Medicaid				
State Share	36.09%	35.88%	35.88%	35.88%
Federal Share	63.91%	64.12%	64.12%	64.12%
Funding Impact				
State Share	\$ 102,377	\$ 203,562	\$ 209,486	\$ 215,499
State Special Revenue	\$ -	\$ -	\$ -	\$ -
Federal Share	\$ 181,294	\$ 363,779	\$ 374,366	\$ 385,111
TOTAL	\$ 283,670	\$ 567,341	\$ 583,852	\$ 600,611

Fiscal Impact:

FTE	0.00	0.00	0.00	0.00
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Expenditures:

Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$8,000	\$8,000	\$8,000	\$8,000
Benefits	\$250,333	\$500,666	\$517,177	\$342,360
TOTAL Expenditures	\$258,333	\$508,666	\$525,177	\$350,360

Funding of Expenditures:

General Fund (01)	\$90,345	\$179,639	\$185,563	\$191,576
State Special Revenue (02)	\$8,000	\$8,000	\$8,000	\$8,000
Federal Special Revenue (03)	\$159,988	\$321,027	\$331,614	\$342,360
TOTAL Funding of Exp.	\$258,333	\$508,666	\$525,177	\$541,936

Revenues:

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$8,000	\$8,000	\$8,000	\$8,000
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$8,000	\$8,000	\$8,000	\$8,000

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$90,345)	(\$179,639)	(\$185,563)	(\$191,576)
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$159,988)	(\$321,027)	(\$331,614)	(\$342,360)

Technical Notes:

1. Section 1 of HB 449 states the department would be responsible to certify pediatric complex care assistants. This type of certification is normally the responsibility of the Department of Labor and Industry.
2. This fiscal note is contingent upon approval of Medicaid state plan and/or waiver amendments for the new pediatric complex care assistant service by CMS.

AMB

Sponsor's Initials

2-16-23

Date

[Signature]

Budget Director's Initials

2-15-23

Date