



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0922 - Require DPHHS to develop and implement an Olmstead plan (Keenan, Bob)

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</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Expenditures:				
State Special Revenue	\$78,000	\$39,000	\$0	\$0
Federal Special Revenue	\$78,000	\$39,000	\$0	\$0
			*** Additional Planning Costs Unable to Determined ***	
Revenue:				
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$78,000	\$39,000	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 922 requires the Department of Public Health and Human Services (DPHHS) (department) to develop and implement a plan to support the Olmstead decision. DPHHS is to ensure services and support for Montanans with disabilities are, to the greatest extent possible, provided in the community rather than in an institutional setting in accordance with the requirements of Olmstead decision and provides a biennial appropriation of \$300,000 from the HBCS 10% MOE state special revenue account.

FISCAL ANALYSIS

Assumptions:

- It is assumed DPHHS would use a third-party contractor for development and implementation of the plan to support the Olmstead decision at a cost of \$156,000 in FY 2024 and \$78,000 in FY 2025. This estimate was developed informally based on prior consulting contracts using an assumed \$150 per hour billing rate and 1,040 hours per year FY 2024 ($\$150 \times 1,040 = \$156,000$) and 520 hours in FY 2025 ($\$150 \times 520 = \$78,000$). These costs would be paid for at the Medicaid administration Federal Medical Assistance Percentage (FMAP) rate of 50% general fund and 50% federal funds.

- It is assumed an additional 1,040 staff hours would be needed in FY 2024 and 520 hours in FY 2025 to assist with the development and implementation of the comprehensive plan. These costs would be covered with existing staff at an opportunity cost to the department by displacing other currently assigned work.
- DPHHS is unable to determine if the remaining \$234,000 appropriation will be needed for planning. Also, it would require the department to use the Request for Proposal (RFP) process in selecting a contractor which will most likely cause a delay in implementation.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	\$156,000	\$78,000	\$0	\$0
TOTAL Expenditures	<u>\$156,000</u>	<u>\$78,000</u>	<u>\$0</u>	<u>\$0</u>
*** Additional Planning Costs Unable to be Determined***				
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$78,000	\$39,000	\$0	\$0
Federal Special Revenue (03)	\$78,000	\$39,000	\$0	\$0
TOTAL Funding of Exp.	<u>\$156,000</u>	<u>\$78,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$78,000	\$39,000	\$0	\$0
TOTAL Revenues	<u>\$78,000</u>	<u>\$39,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$78,000)	(\$39,000)	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Long-Term Impacts:

- HB 922 states that no later than June 30, 2029, and every six years after that, the department shall review the plan to ensure it remains consistent with the principles of the Olmstead decision.

Technical Notes:

- This bill appropriates money to develop the plan, but there are no funds to actually implement any changes to ensure DPHHS remains in line with the Olmstead decision, which could be significant.


3/29/23

3-29-23

Sponsor's Initials
Date
Budget Director's Initials
Date