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BDR 38-328
AB 237(R1)

UNSOLICITED

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: May 24, 2023

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Medical Services (Expense)		$32,671	$216,140	$432,280
System Changes (MMIS) (Expense)		$63,840		
Total	0	$96,511	$216,140	$432,280

Explanation (Use Additional Sheets of Attachments, if required)

The Division has reviewed the reprint of Assembly Bill 237 and determined that the revised language will change the fiscal impact projected by DHCFP. In the bill as introduced, several aspects create fiscal impacts for the Division. The first is the Alternative Billing Resource Office within DHCFP to assist school-based health centers and other providers. Additionally, the bill as introduced required the Division and Department of Education (DOE) to conduct a study related to school-based health centers; these requirements have been eliminated in the reprint.

The amended bill requires the Division to work with school districts, charter schools, and the DOE to ensure that reimbursement is received for services provided to Medicaid recipients on the premises of the school. AB 237 also requires that DHCFP establish incentive payments that increase rates for federally-qualified health centers (FQHCs) and certified community behavioral health clinics (CCBHCs) that enter into agreements with school districts, charter schools, or the DOE. The revised analysis projects the cost of these changes to special clinics. Savings is included for services shifting from community providers, who bill for each service to CCBHCs and FQHCs, who are paid per encounter.

System costs are also anticipated for changes to MMIS. The first system cost is related to adjusting rates for services provided as described above. System changes will also be required to capture the consent flag from the recipient's application with the DWSS, as recipients would be required to give consent for the sharing of information between educational institutions and school-based health centers/other providers of health services covered by Medicaid. The total computable impact for medical services in the FY24-25 biennium is $248,811 ($91,649 in state funds). System costs are projected at $63,840 ($15,960 in state funds).

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Fiscal Impact Analysis

Division of Health Care Financing and Policy
School Based Services Bonus Payments
Analysis Summary

Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY22	$0	$0	$0	$0
FY23	$0	$0	$0	$0
Total	$0	$0	$0	$0

% of CCBHCs contracting with education agency

25%

Savings to community services

1.5%

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$32,671	$17,486	$14,477	$708
FY25	$216,140	$136,477	$77,172	$2,491
Total	$248,811	$153,963	$91,649	$3,199

Description of Budget Concept

To calculate the projected fiscal impact of adding or enhancing incentive payment programs for both Certified Community Behavioral Health Centers (CCBHCs) that increases Medicaid reimbursement by at least 5 percent to these providers for entering into an agreement with a local education agency or State education agency to provide Medicaid-covered services. Seek all necessary federal authority to increase Medicaid reimbursement rates by 5 percent for all eligible State Plan services for services provided in a school setting by a qualified provider employed by, or contracted with, a local education agency or State education agency. This analysis uses a start date of 1/1/24.

Methodology

1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS using the following parameters for this provider type/service:
SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount

2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

3) Calculated SFY 2022 expenditures broken out by PT along with Medicaid and Check Up. Used assumed percentage of CCBHCs who will contact with education agency to multiply against the respective totals to project utilization. Multiplied this utilization by 5% to calculate cost of bonus payment. Applied a 5% increase to existing services provided under PT 60 (School Based Services). Currently, there are no providers enrolled under PT 17, Specialty 179 (School-Based Health Centers).

4) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections. A 6-month ramp up period was applied to allow time for CCBHCs to begin working with school districts after policies and procedures are established. A 10% provider shortage adjustment was also applied to account for the shortage of providers available in rural regions of the state.

5) Savings is also captured to account for a reduction in costs for services provided by a CCBHC or and FQHC as opposed to community providers. Individual providers (physicians, behavioral health practitioners, etc.) bill for each individual service provided; however, CCBHCs/FQHCs are paid via encounter rates, which may cover the same services at a lower overall cost.

6) FMAP rates were applied to determine the federal share of estimated costs. Note that the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to align with the 2023 Federal FY Omnibus Appropriations Bill, which allows the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3); 1.5% (CY23 Q4).

Please note that CCBHCs already have Quality Incentive Payments for up to 15% of their respective Medicaid payments for CCBHC services. A measure could potentially be added based on contracting with entering into and agreement with a local education agency or State education agency to provide Medicaid-covered services would have to be calculated pertaining to contract status with school districts which fall into a CCBHC catchment area. CCBHCs are currently encouraged to work with schools, but there is no contracting requirement, just a care coordination requirement.