

JLBC Fiscal Note

BILL # HB 2980

TITLE: home; community-based services; mental illness.

SPONSOR: Carter P

PREPARED BY: Chandler Coiner

STATUS: As Introduced

Description

The bill would require the Arizona Health Care Cost Containment System (AHCCCS) to apply for a federal waiver to establish a Medicaid-funded program that offers home and community-based services (HCBS) to adults with a serious mental illness (SMI). The program would be capped at 500 members.

Estimated Impact

We estimate that the HCBS program established by the bill would increase AHCCCS General Fund costs by \$4.2 million and Total Fund costs by \$11.6 million annually once the program is fully implemented.

The timing of these costs, however, would depend on state and federal action. The bill requires AHCCCS to request a federal waiver for the program by the beginning of FY 2028 and affords the agency 1 year to begin implementing the program once approved by the federal government.

There may also be administrative costs associated with this bill. We have asked AHCCCS for its estimate of the bill's fiscal impact, but we have not yet received a response.

Analysis

Our estimate assumes the following:

- 1) The average HCBS cost for an individual currently enrolled in the AHCCCS long-term care program for the elderly and physical disabled is \$28,900 per year. This figure excludes nursing facility services and physical/behavioral health services.
- 2) The per enrollee cost of state mental health HCBS programs was approximately 80% of state HCBS programs for the elderly and physically disabled in 2018, according to a health care research organization.
- 3) 500 individuals enroll, resulting in a Total Funds cost of \$11.6 million ($\$28,900 \times 80\% \times 500$).
- 4) AHCCCS costs for Medicaid-funded programs are split 36% state/64% federal, resulting in a General Fund cost of \$4.2 million.

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