



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0909 - Provide for a housing stability services program (Stafman, Ed )

**Status:** As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" 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 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>
<b>Expenditures:</b>				
General Fund	\$19,012	\$173,058	\$333,577	\$338,821
Federal Special Revenue	\$19,012	\$572,948	\$1,145,323	\$1,162,776
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$19,012	\$572,948	\$1,145,323	\$1,162,776
<b>Net Impact-General Fund Balance:</b>	<b>(\$19,012)</b>	<b>(\$173,058)</b>	<b>(\$333,577)</b>	<b>(\$338,821)</b>

**Description of fiscal impact:** HB 909 requires the Department of Public Health and Human Services (DPHHS) (department) to implement a housing stability services program. This would require the department to submit a waiver to receive Centers for Medicaid and Medicare (CMS) approval to implement housing stability services under Medicaid for those who are Medicaid eligible. This bill establishes reporting requirements, and this additional data tracking would require FTE.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Public Health & Human Services**

1. DPHHS and the Department of Commerce currently administer a housing program funded through temporary CARES and ARPA funds that provide similar support as those listed in Section 1. This program is referred to as Housing Stability Services (HSS) in this fiscal note.
2. Section 1 (2) (a) sets eligibility for ongoing housing supports services. The current HSS program has an income eligibility threshold (up to 80% area median income). Currently, there are approximately 7,624 households that receive HSS services per year. Approximately 83% of households (527 per month) have been

approved for the current HSS program and are estimated to be Medicaid eligible (income reported is less than 133% Federal Poverty Level (FPL)).

Administrative Costs

3. The reporting requirements in 1 (4) (c) will require data tracked through Homeless Management Information System (HMIS) for reduction in homelessness and recidivism. Grantees would be required to enter data in HMIS. The department assumes the same or a similar number of organizations will provide services requiring HMIS data tracking. Annual user fees for HMIS are estimated at \$10,000 per organization, based on current costs, resulting in a total annual cost of \$40,000 (\$10,000 x 4 contracted services providers = \$40,000). These costs would begin January 1, 2025.
4. Additional data tracking is required as specified in Section 1 (4) (b and c). DPHHS tracks these elements for the existing HSS program using spreadsheets created at the household level. The reporting requirements in the bill will require manual data aggregation and would require 1.50 FTE data specialists (.50 hours x 527 households x 12 months / 2088 = 1.51 FTE needed, rounded to 1.50 FTE). These costs would begin January 1, 2025.
  - Total one time only office setup costs for the 1.50 FTE data specialist are \$4,200 in FY2025.
  - In FY 2025 the estimated total cost of the position is \$53,505, in FY 2026 total cost is \$109,389 and in FY 2027 total cost is \$111,790.
  - Operating costs associated with the FTE is estimated at 3% of personal service costs.
  - Funding the 1.50 FTE data specialist is a Federal Medical Assistance Percentage (FMAP) 50% general fund and 50% federal fund for personal services per Medicaid administrative services.
5. There is a 1.5% inflation factor increase in costs for FY 2026 and FY2027.

Medicaid Administrative Costs

6. Housing benefits are not a service allowed through Medicaid State Plan; therefore, the department assumes implementation of this bill will require a 1115 Demonstration Waiver through CMS. Assuming a waiver application is submitted no later than January 1, 2024 as required by Section 2, the department assumes approval and implementation effective on January 1, 2025. Medicaid funding for those who are eligible is calculated beginning January 1, 2025.
7. The 1115 waiver is a five-year approval from CMS. Based off past workload to implement and monitor current waivers, DPHHS estimates an additional 0.50 FTE program specialist 1. The position will be responsible for drafting the waiver, leading public hearings, monitoring waiver requirements, collecting and analyzing waiver data, completing quarterly reporting. In FY 2024, personal services will cost \$34,198 and \$1,026 is operating, and \$2,800 is OTO. In FY 2025, the total cost of the position is \$35,334, in FY 2026 total cost is \$36,311 and in FY 2027 total cost is \$36,909. There is a 1.5% inflation factor increase in costs for FY 2026 and FY2027. These costs are Medicaid administrative services that receive FMAP of 50% general fund and 50% federal funds for personal services.

Medicaid Benefits Costs

8. The department assumes that the following FMAPs will apply to eligible households: 33% of eligible Medicaid households are estimated to fall under the standard Medicaid FMAP (35.88% state funded and 64.12% federal funded), the remaining 67% of households are estimated to fall under the Medicaid Expansion FMAP (90% federal funded and 10% state funded).
9. Beginning January 1, 2025, it is estimated that 527 of the eligible households will receive HB 909 services through Medicaid (635 households x .83 Medicaid Eligible = 527 households) and that the average cost per household per month is \$201 in FY 2025 (\$75 x 2.68 = \$201). A 1.5% inflationary factor is applied in FY 2026 and FY 2027 resulting in average cost per household per month of \$204 in FY 2026 and \$207 in FY 2027.
10. It is estimated that the Medicaid benefit expense will be \$635,562 in FY 2025 (527 x 201 x 6), \$1,290,096 (527 x 204 x 12) in FY 2026 and \$1,309,544 (527 x 207 x 12).

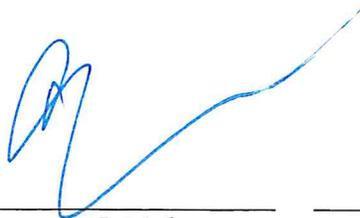
**Medicaid Benefits Table**

				1.50%	1.50%
		FY 2024	FY 2025	FY 2026	FY 2027
# of eligible households		0	0	0	0
Estimated Medicaid		0	527	527	527
Average monthly cost (benefits)		\$ -	\$ 201	\$ 204	\$ 207
Non-Medicaid		\$ -	\$ -	\$ -	\$ -
Medicaid		\$ -	\$ 635,562	\$ 1,290,095	\$ 1,309,544
Est % of Trad Med	0.33		\$ 209,735	\$ 425,731	\$ 432,149
Est % of EXP	0.67		\$ 425,827	\$ 864,364	\$ 877,394
<b>Traditional Medicaid</b>					
General Funds	35.88%		\$ 75,253	\$ 152,752	\$ 155,055
Federal Funds	64.12%		\$ 134,482	\$ 272,979	\$ 277,094
Total			\$ 209,735	\$ 425,731	\$ 432,149
<b>Medicaid Expansion</b>					
General Funds	10%		\$ 42,583	\$ 86,436	\$ 87,739
Federal Funds	90%		\$ 383,244	\$ 777,928	\$ 789,655
Total			\$ 425,827	\$ 864,364	\$ 877,394
<b>Total Medicaid</b>					
General Funds			\$ 117,836	\$ 239,188	\$ 242,794
Federal Funds			\$ 517,726	\$ 1,050,907	\$ 1,066,749
Total			\$ 635,562	\$ 1,290,095	\$ 1,309,544

	<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>
<b><u>Fiscal Impact:</u></b>				
FTE	0.50	2.00	2.00	2.00
<b><u>Expenditures:</u></b>				
Personal Services	\$34,198	\$87,810	\$144,454	\$147,624
Operating Expenses	\$3,826	\$22,634	\$44,350	\$44,429
Benefits	\$0	\$635,562	\$1,290,096	\$1,309,544
<b>TOTAL Expenditures</b>	<b>\$38,024</b>	<b>\$746,006</b>	<b>\$1,478,900</b>	<b>\$1,501,597</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$19,012	\$173,058	\$333,577	\$338,821
Federal Special Revenue (03)	\$19,012	\$572,948	\$1,145,323	\$1,162,776
<b>TOTAL Funding of Exp.</b>	<b>\$38,024</b>	<b>\$746,006</b>	<b>\$1,478,900</b>	<b>\$1,501,597</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$19,012	\$572,948	\$1,145,323	\$1,162,776
<b>TOTAL Revenues</b>	<b>\$19,012</b>	<b>\$572,948</b>	<b>\$1,145,323</b>	<b>\$1,162,776</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$19,012)	(\$173,058)	(\$333,577)	(\$338,821)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. This fiscal note is contingent upon approval of a Medicaid Demonstration waiver for the new Housing Stability Services by the CMS. If a waiver is not approved by January 1, 2025, the general fund cost stated in this fiscal note would be understated, and the federal fund cost overstated.



*Sponsor's Initials*

3/29/23

*Date*



*Budget Director's Initials*

3-28-23

*Date*