



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0910 - Provide for medicaid medical respite care program for homeless individuals (Stafman, Ed )

**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>
<b>Expenditures:</b>				
General Fund	\$177,100	\$301,612	\$324,376	\$347,738
Federal Special Revenue	\$716,413	\$1,573,113	\$1,698,300	\$1,828,067
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$716,413	\$1,573,113	\$1,698,300	\$1,828,067
<b>Net Impact-General Fund Balance:</b>	<u>(\$177,100)</u>	<u>(\$301,612)</u>	<u>(\$324,376)</u>	<u>(\$347,738)</u>

**Description of fiscal impact:** HB 910 requires the Department of Public Health and Human Services (DPHHS) (department) to provide Medicaid coverage of medical respite care that is offered in a residential facility to individuals who are experiencing homelessness.

### FISCAL ANALYSIS

**Assumptions:**

1. Medical respite services are not a service allowed through the Medicaid State Plan; therefore, the department assumes implementation of this bill will require a 1115 Demonstration Waiver through the Centers for Medicare & Medicaid Services (CMS), with approval and implementation effective on January 1, 2024.
2. Based on published data from the United States Department of Housing and Urban Development (HUD) in 2022 there was 1,585 homeless Montanans.
3. HUD data also indicates that 24.7% of homeless Montanans are chronically homeless. This represents 381 Montanans in 2022. DPHHS assumes this population of homeless Montanans are eligible for Medicaid and will receive medical respite care under this bill. This assumption aligns with how Utah projected their utilization in their 1115 demonstration waiver.

4. The department assumes an annual caseload growth rate of 2.4%. This assumption is based on data from Utah's 1115 demonstration waiver. This results in 390 eligible individuals in FY 2024 (381 x 1.024), however, since services will only be available in the 2nd half of FY 2024, 191 individuals are assumed to be served in FY 2024. DPHHS assumes 400 eligible individuals in FY 2025 (390 x 1.024), 409 eligible individuals in FY 2026 (400 x 1.024), and 419 eligible individuals in FY 2027 (409 x 1.024).
5. DPHHS assumes a medical respite care per diem rate of \$149.30 in FY 2024. This is an average of three available per diem rates from other states: Washington (\$140 low end, \$160 high end) and Utah (\$147.91).
6. DPHHS assumes an annual cost growth rate of 5.3%. This assumption is based on data from Utah's 1115 demonstration waiver. This results in a per diem rate of \$157.21 in FY 2025 (\$149.30 x 1.053), \$165.55 in FY 2026 (\$157.21 x 1.053), \$174.32 in FY 2027 (\$165.55 x 1.053).
7. The department assumes an average length of stay for respite services to be 30 days. This is based on a 2017 policy brief from that National Health Care for the Homeless Council. Other medical respite care programs report that the average stay can be between 5 and 60 days.
8. Based on a review of FY 2022 claims with a diagnosis code relating to homelessness, the department assumes 67.5% of benefit expenditures will be on Medicaid Expansion eligible individuals, and 32.5% on traditional Medicaid members.
9. Based on the Montana data from HUD, 16% of homeless Montanans are Native American. The department assumes tribal facility participation to begin in FY 2025 and that these tribal facilities eligible for 100% Federal Medical Assistance Percentage (FMAP).
10. DPHHS assumes that the following FMAPs will apply to eligible homeless populations: Medicaid Standard FMAP (36.09% state funded and 63.91% federal funded in FY 2024; 35.88% state funded and 64.12% federal funded in FY 2025 thru FY 2027), Medicaid Expansion FMAP (90% federal funded and 10% state funded all years), and Indian Health Services FMAP (100% federal funded all years).
11. The 1115 waiver is a five-year approval from CMS. Based off past workload to implement and monitor current waivers, the department estimates and 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. It is estimated that the position will cost \$38,024 in FY 2024, of which \$34,198 is for personal services, \$1,026 is operating, and \$2,800 is OTO. In FY 2025, the estimated total cost of the position is \$35,334, of which \$34,305 is for personal services and \$1,029 is operating costs. Operating costs associated with the FTE is estimated at 3% of personal service costs. 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.

Description	Inflation Factor: <b>5.3%</b>		Caseload: <b>2.4%</b>				
	CY 2022		6 months SFY 2024	SFY2025	SFY2026	SFY2027	SFY2028
<b>Current Homeless Population</b>	1,585		793	1,624	1,663	1,703	1,744
<b>% of Homeless Needing Care</b>	24.0%		24.0%	24.0%	24.0%	24.0%	24.0%
<b>Total Counts Chronically Homeless</b>	381		191	390	400	409	419
<b>Total Chronically Homeless-American Indian</b>	61		31	63	65	67	69
<b>Total Non-American Indian</b>	320		160	327	335	342	350
<b>Non-American Indian</b>							
<b>Average Length of Stay</b>	30		30	30	30	30	30
<b>Member Months - MCD</b>	104		52	106	109	111	114
<b>Member Months - EXP</b>	216		108	221	226	231	236
<b>Medical Respite Cost Per Diem</b>	149.30		149.30	157.21	165.55	174.32	183.56
<b>Total Cost</b>			<b>716,640</b>	<b>1,542,259</b>	<b>1,663,729</b>	<b>1,788,514</b>	<b>1,927,359</b>
<b>American Indian</b>							
<b>Average Length of Stay</b>	30		30	30	30	30	30
<b>Member Months - MCD</b>	20		10	20	21	22	22
<b>Member Months - EXP</b>	41		21	43	44	45	47
<b>Medical Respite Cost Per Diem</b>	149.30		149.30	157.21	165.55	174.32	183.56
<b>Total Cost</b>			<b>138,849</b>	<b>297,132</b>	<b>322,813</b>	<b>350,381</b>	<b>379,965</b>
<b>Total Cost for Tribal Facilities</b>			-	297,132	322,813	350,381	379,965
<b>Member Months - MCD</b>			278,034	501,234	540,712	581,267	626,392
<b>Member Months - EXP</b>			577,455	1,041,025	1,123,017	1,207,247	1,300,967
<b>Total Cost</b>			<b>855,489</b>	<b>1,839,391</b>	<b>1,986,542</b>	<b>2,138,895</b>	<b>2,307,324</b>
<b>Federal Impact</b>							
	FY24	FY25-27					
<b>Total Cost for Tribal Facilities</b>	100.00%		-	297,132	322,813	350,381	379,965
<b>Member Months - MCD</b>	63.91%	64.12%	177,691	321,391	346,705	372,708	401,642
<b>Member Months - EXP</b>	90.00%	90.00%	519,710	936,922	1,010,715	1,086,522	1,170,871
<b>Total Cost</b>			<b>697,401</b>	<b>1,555,446</b>	<b>1,680,233</b>	<b>1,809,612</b>	<b>1,952,478</b>
<b>State General Fund Impact</b>							
	FY24	FY25-27					
<b>Total Cost for Tribal Facilities</b>	0.00%		-	-	-	-	-
<b>Member Months - MCD</b>	36.09%	35.88%	100,342	179,843	194,007	208,559	224,749
<b>Member Months - EXP</b>	10.00%	10.00%	57,746	104,102	112,302	120,725	130,097
<b>Total Cost</b>			<b>158,088</b>	<b>283,945</b>	<b>306,309</b>	<b>329,283</b>	<b>354,846</b>

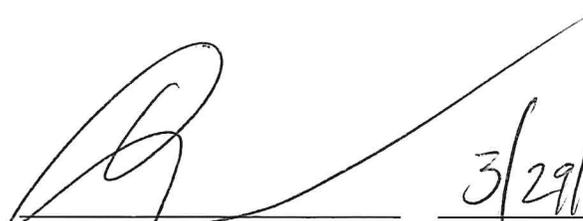
**For FN Assumptions Write Up:**

<b>MEDICAID MEDICAL RESPITE CARE PROGRAM FOR HOMELESS INDIVIDUALS</b>				
	<b>SFY 2024</b>	<b>SFY2025</b>	<b>SFY2026</b>	<b>SFY2027</b>
Estimated Members Served	191	327	335	342
Estimated Members Served @ Tribal Entity	-	63	65	67
Estimated Per Member Per Month	\$ 149.30	\$ 157.21	\$ 165.55	\$ 174.32
Caseload Growth at 2.4%				
Inflation Factor at 5.3%				
Estimated Expenditure (Members Served x Rate x 30 days)	\$ 855,489	\$ 1,542,259	\$ 1,663,729	\$ 1,788,514
<b>TOTAL Respite Care Projection Medicaid - 32.5%</b>	<b>\$ 278,034</b>	<b>\$ 501,234</b>	<b>\$ 540,712</b>	<b>\$ 581,267</b>
<b>TOTAL Respite Care Projection Expansion - 67.5%</b>	<b>\$ 577,455</b>	<b>\$ 1,041,025</b>	<b>\$ 1,123,017</b>	<b>\$ 1,207,247</b>
<b>TOTAL Respite Care Projection - American Indian</b>	<b>\$ -</b>	<b>\$ 297,132</b>	<b>\$ 322,813</b>	<b>\$ 350,381</b>
<b>TOTAL</b>	<b>\$ 855,489</b>	<b>\$ 1,839,391</b>	<b>\$ 1,986,542</b>	<b>\$ 2,138,895</b>
<b>FMAP</b>	<b>SFY 2024</b>	<b>SFY2025</b>	<b>SFY2026</b>	<b>SFY2027</b>
<b>Standard Medicaid</b>				
State Share	36.09%	35.88%	35.88%	35.88%
Federal Share	63.91%	64.12%	64.12%	64.12%
<b>Expansion</b>				
State Share	10.00%	10.00%	10.00%	10.00%
Federal Share	90.00%	90.00%	90.00%	90.00%
<b>Tribal</b>				
State Share	0.00%	0.00%	0.00%	0.00%
Federal Share	100.00%	100.00%	100.00%	100.00%
<b>FUNDING</b>	<b>SFY 2024</b>	<b>SFY2025</b>	<b>SFY2026</b>	<b>SFY2027</b>
State - Medicaid	\$ 100,342	\$ 179,843	\$ 194,007	\$ 208,559
Federal - Medicaid	\$ 177,691	\$ 321,391	\$ 346,705	\$ 372,708
State - Expansion	\$ 57,746	\$ 104,102	\$ 112,302	\$ 120,725
Federal - Expansion	\$ 519,710	\$ 936,922	\$ 1,010,715	\$ 1,086,522
State - Tribal	\$ -	\$ -	\$ -	\$ -

	<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><u>Fiscal Impact:</u></b>				
FTE	0.50	0.50	0.50	0.50
<b><u>Expenditures:</u></b>				
Personal Services	\$34,198	\$34,305	\$35,065	\$35,834
Operating Expenses	\$3,826	\$1,029	\$1,068	\$1,075
Benefits	\$855,489	\$1,839,391	\$1,986,542	\$2,138,895
<b>TOTAL Expenditures</b>	<b>\$893,513</b>	<b>\$1,874,725</b>	<b>\$2,022,675</b>	<b>\$2,175,804</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$177,100	\$301,612	\$324,376	\$347,738
Federal Special Revenue (03)	\$716,413	\$1,573,113	\$1,698,300	\$1,828,067
<b>TOTAL Funding of Exp.</b>	<b>\$893,513</b>	<b>\$1,874,725</b>	<b>\$2,022,676</b>	<b>\$2,175,805</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$716,413	\$1,573,113	\$1,698,300	\$1,828,067
<b>TOTAL Revenues</b>	<b>\$716,413</b>	<b>\$1,573,113</b>	<b>\$1,698,300</b>	<b>\$1,828,067</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$177,100)	(\$301,612)	(\$324,376)	(\$347,738)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. Medical respite is not a service currently allowed under the Medicaid State Plan and would be contingent on approval of the Medicaid 1115 demonstration waiver by the CMS. Approval will require evidence of budget neutrality over the demonstration period.

  
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 Sponsor's Initials

\_\_\_\_\_  
 3/29/23  
 Date

  
 \_\_\_\_\_  
 Budget Director's Initials

\_\_\_\_\_  
 3-28-23  
 Date