



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0311 - Establish a chemical dependency treatment voucher program (Yakawich, Michael )

**Status:** As Amended in House Committee

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input 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 |

	<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	\$0	\$0	\$0	\$0
State Special Revenue HB 311	\$263,000	\$337,000	\$300,000	\$300,000
State Special Revenue HEART Fund	(\$263,000)	(\$337,000)	(\$300,000)	(\$300,000)
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	\$0	\$0	\$0	\$0

**Description of fiscal impact:** HB 311 creates a voucher program for chemical dependency room and board under the Healing and Ending Addiction through Recovery and Treatment (HEART) state special account. Eligible individuals under the new voucher program have incomes under 200% of the federal poverty level and do not qualify for other medical assistance. Vouchers in the previous version of HB 311 applied to chemical dependency treatment services. Amendments allowing the use of vouchers for room and board is a service not eligible for the Substance Abuse Block Grant (SABG).

### FISCAL ANALYSIS

**Assumptions:**

**Department of Public Health and Human Services (DPHHS/department)**

1. Although HB 311 has an effective date of July 1, 2023; administrative rule development and program startup activities are anticipated to take up to 90 days. For purposes of this fiscal note, it is anticipated that the proposal will be implemented October 1, 2023.
2. The department would administer the eligibility verification, tracking voucher activity, and payment remittance activity using its existing Substance Abuse Management System (SAMS). SAMS currently

performs similar functions for Substance Abuse Block Grant (SABG), therefore system costs are assumed to be minimal and absorbed by department.

3. DPHHS rule making will establish the program and rules to allocate the appropriated amount. Prior to the HEART initiative adding ASAM 3.1 clinically managed low intensity residential substance use treatment as a bundled Medicaid eligible service, SABG contracts included a separate room and board payment. For purposes of this analysis and administrative rule, the Department will limit the new room and board vouchers to clients served at a state approved substance use disorder facility that is licensed for ASAM 3.1 level of care. Further, the department will set the daily room and board rate to \$35.00 per day and limit the voucher amount per client served to a maximum of \$1,000 per year.
4. The Department assumes a limit voucher activity to \$300,000 per year, except in instances where the first year of the biennial appropriation is not completely used, in such case the remaining amount would be available for the following year.
5. Each individual approved for a voucher would utilize the maximum \$1,000 benefit per year.
6. In FY 2022 SABG served 293 clients at the ASAM 3.1 level of care. The department estimates the following number of ASAM 3.1 clients: 329 in FY 2024, 339 in FY 2025, 349 in FY 2026, and 360 clients in FY 2027. With the implementation date of October 1, 2023, the first year of the program would have less than a full year of client participation. It is estimated that for FY 2024 the number of clients eligible for the voucher program would equal 80% of the full FY 2024 number, or 263 clients (329 clients x 80%) eligible for a cost of \$263,000 (263 clients x maximum R&B of \$1,000) in FY 2024, leaving \$37,000 (\$300,000 - \$263,000) additional, for a total of \$337,000 available for FY 2025.
7. It is estimated that room and board vouchers will be available to 337 clients at \$337,000 in FY 2025, 300 clients at \$300,000 in FY 2026, and 300 clients at \$300,000 in FY 2027.

	<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>				
<b><u>Expenditures:</u></b>				
Benefits through HB 311 Vouchers	\$263,000	\$337,000	\$300,000	\$300,000
Benefits through Existing HEART Funds	(\$263,000)	(\$337,000)	(\$300,000)	(\$300,000)
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue HB 311	\$263,000	\$337,000	\$300,000	\$300,000
State Special Revenue HEART Fund	(\$263,000)	(\$337,000)	(\$300,000)	(\$300,000)
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue HB 311	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. HB 311 amends 16-12-122, MCA, to reallocate funds from the HEART account. HEART funds are intended, among other things, under 16-12-122, (3)(d) MCA, to leverage additional federal funds when available for the healthy Montana kids plan and Medicaid. The funds used for this voucher program cannot be used to leverage federal funds.


2-13-23  
 Sponsor's Initials Date


2-16-23  
 Budget Director's Initials Date