



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 55** HLS 22RS 119
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|------------------------------------|----------|---------------------------------|
| Date: May 31, 2022 | 12:30 PM | Author: BUTLER |
| Dept./Agy.: Health/Medicaid | | Analyst: Shawn Hotstream |
| Subject: dental care | | |

MEDICAID EN +\$1,380,557 GF EX See Note Page 1 of 1
 Provides for Medicaid coverage of dental care for certain residents of intermediate care facilities

Proposed law requires the Louisiana Department of Health (LDH) to provide dental coverage for certain individuals with developmental disabilities. The specific population are Medicaid enrollees of age 21 or older who resides in an Intermediate Care Facility (ICF) for people with developmental disabilities. Proposed law provides that this measure is subject to specific appropriation.

| EXPENDITURES | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| State Gen. Fd. | \$1,380,557 | \$2,229,720 | \$2,229,720 | \$2,229,720 | \$2,229,720 | \$10,299,437 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$156,394 | \$156,394 | \$156,394 | \$156,394 | \$625,576 |
| Federal Funds | \$2,594,872 | \$4,814,743 | \$4,814,743 | \$4,814,743 | \$4,814,743 | \$21,853,844 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$3,975,429 | \$7,200,857 | \$7,200,857 | \$7,200,857 | \$7,200,857 | \$32,778,857 |

| REVENUES | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>2026-27</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|------------------|------------------|------------------|------------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$156,394 | \$156,394 | \$156,394 | \$156,394 | \$625,576 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$156,394 | \$156,394 | \$156,394 | \$156,394 | \$625,576 |

EXPENDITURE EXPLANATION

Offering comprehensive dental services to certain populations is projected to increase Medicaid expenditures by approximately \$3.9 M in FY 22-23, and \$7.2 M and future fiscal years. The first year cost in the expenditure table above assumes administrative expenses only associated with rate development and staffing. Proposed law requires Medicaid to cover comprehensive dental care for adults with developmental disabilities that reside in an ICF. Currently this population receives limited dental benefits.

- 1) Comprehensive dental benefit provided under managed care for individuals in ICF.
- 2) Assumes new benefits for approximately 3,803 beneficiaries (45,636 member months)
- 3) Estimate \$125 per member per month costs based on Texas model, \$1,500 annual cost
- 4) 3,803 beneficiaries @ \$125 per member per month (PMPM) x 12 months = \$5,704,500
- 5) Additional hospital related costs assumed for 50% beneficiaries(individuals requiring at least 1 service in hospital setting)
 - Hospital facility fee (treatment in hospital setting). \$400 x 3,803 beneficiaries x 50% utilization = \$760,600
 - General anesthesia (\$255.46 (historical claims) x 3,803 x 50% utilization = \$485,757
- 6) Actuarial services expense (rate setting) of \$500,000 in FY 24, and \$250,000 annually in out years.
- 7) FY 23 assumes only 6 months of benefit (implementation January 1, 2023)

Note: Funding for this measure is provided in HB 1.

REVENUE EXPLANATION

Statutory Dedication revenues reflected in the revenue table above are collections of a 2.25% premium tax assuming the new coverage of dental services for adults in intermediate care facilities are covered under managed care.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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