

# Vermont Legislative Joint Fiscal Office

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## *FISCAL NOTE*

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### **H. 69 – An act relating to licensed alcohol and drug abuse counselors as participating providers in Medicaid**

*As passed by The House Committee on Human Services - 2/20/14*

The bill as originally proposed would have enabled certain licensed alcohol and drug abuse counselors (LADCs) without postgraduate degrees to be participating providers in the State's Medicaid program. The amended version would require the Department of Vermont Health Access (DVHA) to grant authorization to all LADCs to participate in the State's Medicaid program.

On January 24, 2014, the Vermont Department of Health (VDH) testified that the potential new cost to the state could be as high as \$2.5 million dollars at the high end of the range. The Department refined that numbers recognizing that some of the beneficiaries who would utilize LADCs are already seeing mental health professionals and therefore would not be new costs to the system. Taking this into consideration, the additional fiscal impacts would be for costs associated with "new" beneficiaries that would be coming into treatment.

#### **Assumptions**

- The estimate was calculated using the DVHA reimbursement rate for outpatient licensed mental health professionals (current as of 1/1/14). This rate is lower than VDH's preferred provider rate.
- The estimate assumes an effective date of October 1, 2014 to allow the Department of Vermont Health Access (DVHA), which operates the State Medicaid program, time to work with the Center for Medicare and Medicaid Services (CMS) on an amendment to Vermont's Medicaid State Plan.

#### **Fiscal Impact**

The estimated SFY' 15 fiscal impact = **\$827,972** (gross) / **\$360,251** (state), assuming a 10/1/14 effective date (starting in the second quarter of the fiscal year).

*Note: if the bill had a July 1 start date the estimated fiscal impact would be **\$1,103,963** (gross) / **\$480,334** (state share).*