

# Vermont Legislative Joint Fiscal Office

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## FISCAL NOTE

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### H.730

#### **An act relating to Medicaid rates for home and community-based services and home-delivered meals as a reimbursable covered service**

The bill proposes to require the Secretary of Human Services to apply for an amendment to Vermont's Global Commitment 1115 waiver to allow home-delivered meals to be treated as a reimbursable covered service under the Choices for Care Program.

The bill also proposes to require increases to Medicaid reimbursement rates for home and community based service providers that are commensurate with increases to Medicaid rates for nursing homes.

#### **Home-Delivered Meals and Medicaid**

According to data provided by the Department of Disabilities, Aging, & Independent Living (DAIL):

- The average cost of a meal as reported by the Area Agencies on Aging (AAAs) = \$7.60
- The average number of meals per client per year = 166
- It is estimated that the number of Choices for Care clients that could take advantage of this program = approximately 1,500 clients.

According to DAIL estimates, it would cost **\$1,889,316 gross (\$863,040 state)** to provide this program. However given unknown demand (how many of the 1,500 clients may want to utilize the program) and capacity issues (the ability of the agencies to absorb such an increase in need in the short-term), these estimates could be slightly lower in the first year.

#### **Cost of Living Increases for Home and Community Based Providers**

Preliminary estimates from the DAIL are that approximately **\$2,178,880 gross (\$1,148,119 state)** will be needed in SFY'17 to fund the cost of living increases specified in H/730.

#### **TOTAL ESTIMATED FISCAL IMPACT – H.730**

	<u>Gross</u>	<u>State</u>
Home-delivered Meals	\$1,889,316	\$863,040 < fully rolled out
Cost of Living Increases	\$2,178,880	\$1,148,119
TOTAL	\$4,068,196	\$2,011,159