COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2023 REGULAR SESSION
REVISED as of 3-9-2023

MEASURE

2023 BR NUMBER <u>297</u>   HOUSE BILL NUMBER <u>56/HCS1</u>

TITLE <u>AN ACT relating to regional service areas for regional community services programs.</u>

SPONSOR   <u>Representative Danny Bentley</u>

FISCAL SUMMARY

STATE FISCAL IMPACT: ☒ YES ☐ NO ☐ UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ☐ ACTUARIAL ANALYSIS
☐ LOCAL MANDATE ☐ CORRECTIONS IMPACT ☐ HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: <u>Department for Medicaid Services</u>

FUND(S) IMPACTED: ☒ GENERAL ☐ ROAD ☒ FEDERAL ☐ RESTRICTED <u>_____</u>

FISCAL ESTIMATES	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		$50,000 GF $50,000 FF	Indeterminable
NET EFFECT		($50,000) GF ($50,000) FF	(Indeterminable)

   ( ) indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of the measure is to establish a regional community services program and the conditions under which a regional community services program may provide services outside of its service area.

FISCAL EXPLANATION: Under the provisions of House Bill (HB) 56/HCS 1, a regional community services program (RCSP) would be permitted to provide services outside of its service area if the RCSP were licensed as a Behavioral Health Services Organization (BHSO). The Department for Medicaid Services (DMS) notes that implementation of the legislation would require some modifications to its cost reporting and information technology (IT) systems to accurately identify claims by service area. DMS estimates that costs associated with making the required changes to its payment operations would be at least $100,000, with $50,000 coming from General Fund and $50,000 coming from Federal Funds. DMS did not indicate whether there would be ongoing costs to maintain the modified cost reporting and IT systems.

DATA SOURCE(S): **Cabinet for Health and Family Services/Department for Medicaid Services**
PREPARER: **Miriam Fordham** NOTE NUMBER: **61** REVIEW: **JAB** DATE: **3/9/2023**