

# OFFICE OF FISCAL ANALYSIS

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sHB-7090

AN ACT CONCERNING AN EQUITABLE MINIMUM  
METHADONE MAINTENANCE REIMBURSEMENT RATE UNDER  
THE MEDICAID PROGRAM.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Social Services, Dept.	GF - See Below	See Below	See Below

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill requires the Department of Social Services to apply a more equitable weekly methadone maintenance reimbursement rate equally to all providers under Medicaid, which is unspecified in the bill. The net fiscal impact to the state, after accounting for federal Medicaid reimbursement<sup>1</sup> is dependent upon the revised minimum weekly rate established, by provider. For context, the current minimum weekly rate based on FY 18 cost reports ranges from \$75.80 to \$99.49. There are currently nine clinics which received approximately \$53.3 million in Medicaid reimbursement for services in FY 18.

For reference, the following table reflects the net state impact from three scenarios based on the current reimbursement rates:

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<sup>1</sup> The current federal match for these services is approximately 75%, based on FY 18 cost reports and the current Medicaid population mix being served at providers.

	Rate - \$	State Share - \$	Federal Share - \$	Gross Impact - \$
Lowest	75.80	(1,916,405)	(5,895,563)	(7,811,968)
Average	90.55	301,242	747,987	1,049,229
Highest	99.49	1,645,362	4,774,654	6,420,016

***The Out Years***

The annualized ongoing fiscal impact identified above will continue into the future subject to the weekly Medicaid methadone maintenance reimbursement rate established and utilization by providers.