

## Department of Planning and Budget 2021 Fiscal Impact Statement

1. **Bill Number:** SB 1102

**House of Origin**  Introduced  Substitute  Engrossed  
**Second House**  In Committee  Substitute  Enrolled

2. **Patron:** Locke

3. **Committee:** Education and Health

4. **Title:** DMAS; personal care aides; orientation program

5. **Summary:** The proposed legislation requires the Department of Medical Assistance Services (DMAS) to establish within its long-term care division an orientation program for all personal care aides who provide self-directed services through the Medicaid program.

6. **Budget Amendment Necessary:** Item 317, Service Area 49901

7. **Fiscal Impact Estimates:** Preliminary

**Expenditure Impact:** The potential fiscal impact of this legislation is ultimately indeterminate as there is insufficient information to determine whether the oversight requirements outlined in this bill would constitute DMAS being considered an employer of record for consumer directed attendants. Such a designation may impact the agency's ability to comply with provisions of state and federal law, such as the Fair Labor Standards Act. While DMAS does not have sufficient information at this time to determine a cost, being an employer of record is expected to have a significant fiscal impact on Medicaid costs.

In addition, to the potential costs associated with employer of record status, it is unclear if the bill's orientation program is intended to be virtual or in-person. The following provides a cost estimate for each option. The low end of the range reflects virtual with the higher end being in-person.

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	-	-	-
2022	\$53,247 - \$338,432 \$103,361 - \$656,956	0 – 1.0	General Nongeneral
2023	\$21,466 - \$338,432 \$41,669 - \$656,956	0 – 1.0	General Nongeneral
2024	\$21,466 - \$338,432 \$41,669 - \$656,956	0 – 1.0	General Nongeneral
2025	\$21,466 - \$338,432 \$41,669 - \$656,956	0 – 1.0	General Nongeneral
2026	\$21,466 - \$338,432 \$41,669 - \$656,956	0 – 1.0	General Nongeneral
2027	\$21,466 - \$338,432 \$41,669 - \$656,956	0 – 1.0	General Nongeneral

**8. Fiscal Implications:** This bill would require creation of an orientation program that would be mandated for all consumer-directed (CD) services employees. DMAS estimated a fiscal impact for two versions of the training: a virtual format and an in-person format. The administrative cost estimates to develop, advertise, and maintain weekly trainings for 38,000 unique consumer directed attendants via the two previously-stated options are provided below.

A virtual training would require development of online training materials. DMAS estimates a one-time cost of \$141,028 (\$47,950 general fund) to develop the virtual training and then an annual maintenance cost of \$47,555 (\$16,169 general fund) for fiscal year 2023 and thereafter. Lastly, based on previous similar initiatives, DMAS estimates annual outreach cost of \$15,580 (\$5,297 general fund) to include printing and mailing for 38,000 attendants. In total, DMAS estimates the virtual training option would cost approximately \$156,608 (\$53,247 general fund) for the first year and \$63,135 (\$21,466 general funds) each fiscal year thereafter. All estimates were allocated at 32 percent to Medicaid Expansion based on the January 2021 enrollment report.

For an in-person training program, DMAS assumes two trainings a week for 52 weeks for an average of 365 attendants per training in order to reach 38,000 attendants per year. The administrative cost of conducting weekly trainings would require DMAS to hire two full-time employees to serve as training facilitators (per average agency salary, benefits, and indirect costs for a total of \$272,134 (\$92,526 from general fund). DMAS estimates weekly travel costs for four employees (two Training Facilitators and two Training Coordinators) to include average meals and lodging per diem for a total of \$74,639 (\$25,377 general fund). Additionally, DMAS estimates the costs of fueling and leasing two agency cars for an annual cost of \$9,035 (\$3,072 general fund). The cost of renting facilities to hold up to a 365-person trainings would likely differ throughout the state, using Richmond as a general baseline DMAS estimates \$624,000 (\$212,160 general fund). In total, DMAS estimates the in-person training would cost approximately \$995,388 (\$338,432 general fund) annually. All estimates were allocated at 32 percent to Medicaid Expansion based on the January 2021 enrollment report.

Again, DMAS has indicated that this legislation has the potential to define the agency as a joint employer of record. The cost of this potential development is indeterminate as written.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Medical Assistance Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None