

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2023 REGULAR SESSION**

MEASURE

2023 BR NUMBER 297

HOUSE BILL NUMBER 56/HCS1

TITLE AN ACT relating to regional service areas for regional community services programs.

SPONSOR Representative Danny Bentley

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: Department for Medicaid Services

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2022-2023	2023-2024	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		\$550,000 GF \$550,000 FF	Indeterminable
NET EFFECT		(\$550,000) GF (\$550,000) 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 its current cost reporting system does not capture the level of detail that would be necessary to accurately track and identify claims by service area as would be required to implement the provisions of the legislation. DMS estimates that the costs associated with modifying its cost reporting and information technology (IT) systems to identify expenses for services outside a defined service area would be \$1.1 million in total, with \$550,000 coming from General Fund and \$550,000 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:** 2/28/2023