



February 3, 2022

Honorable Sharon Cooper
Chairman, House Health and Human Services
436 State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 33 8935)

Dear Chairman Cooper:

This bill would require the Department of Community Health (DCH) to submit a Section 1115 waiver to provide treatment services under Medicaid for persons living with Human Immunodeficiency Virus (HIV) to the federal government by December 31, 2022. Under this new proposal, Medicaid would cover a package of services for early treatment of HIV for those with no health insurance. The eligibility criteria for recipients shall include having a diagnosis of HIV and no health insurance.

Assuming the new Medicaid members have an HIV but no AIDS diagnosis, DCH data indicates that the bill would increase state expenditures by approximately \$18 million in the first 12 months of implementation. The additional annual spending will increase to approximately \$29 million in the second 12-month period as the number of expected participants peaks (**Table 1**). The costs would be higher if the newly eligible population includes those with an AIDS diagnosis, as discussed below.

Table 1: Two-Year Projected Fiscal Impact

	Year 1	Year 2
State	\$18,022,169	\$28,588,145
Federal	<u>\$35,329,426</u>	<u>\$55,544,124</u>
Total	\$53,351,595	\$84,132,269

Note: Assumes costs for those with HIV but not AIDS diagnosis

The data and assumptions used to calculate the costs are discussed below.

- The number of people who are uninsured and living with HIV in Georgia (eligible for Medicaid under this bill) is estimated to be approximately 10,400. This estimate uses the national percentage (17%) of uninsured persons living with HIV from the Kaiser Family Foundation. The percentage was adjusted upward because Georgia is a Medicaid non-expansion state and has a larger than average population of persons living with HIV.
- The projected cost after ramp-up is based on the estimated uninsured persons living with HIV in Georgia multiplied by the current Medicaid utilization rate by eligible Medicaid patients diagnosed with HIV (approximately 86%). It is further multiplied by the cost per

patient per month of this population (\$785). This amount includes those with an HIV, but not an AIDS, diagnosis.

- The ramp up assumption took historical ramp up of new eligibility categories adjusted for demand for services.

There are additional factors that may impact the cost of implementing this bill but are unknown at this time. These are described below.

- Changes in average cost per patient for persons living with HIV in Medicaid would impact costs, particularly if beneficiaries eligible under this bill have average costs that vary from the current population.
- Utilization of services for beneficiaries eligible under this bill could vary from the current population.
- The costs will be higher if the bill results in additional members with an AIDS diagnosis, though the number that may qualify is unknown. DCH officials indicated that an AIDS diagnosis can lead to Medicaid coverage through existing channels (e.g., a disability determination). DCH estimated an average annual cost of \$27,413 for those with any stage of HIV, including AIDS (vs. \$9,417 for those in early stages of HIV).¹
- The state portion of the total cost was calculated using federal fiscal year 2023 percentages.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/nac

¹ DCH was unable to identify the annual cost of those with an AIDS diagnosis.