



March 8, 2023

Honorable Sharon Cooper
Chairman, House Committee on Public Health
436 State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 226 (33 9441S)

Dear Chairman Cooper:

The bill would require the Department of Community Health (DCH) to submit a Section 1115 waiver to provide early treatment services under Medicaid for persons living with Human Immunodeficiency Virus (HIV) to the federal government by December 31, 2023. Eligibility would be provided to those with HIV, no insurance, and an income less than 100% of the federal poverty level.

DCH estimated that approximately \$650,000 in state funds would be necessary to contract for assistance in developing and implementing the 1115 waiver request. The amount is based on a contract with a similar scope. The agency also noted that implementing a 1115 waiver requires significant time and the December 1, 2023 timeframe would be problematic. As a result, the implementation costs below begin in FY 2025.

As shown in **Table 1**, the bill is estimated to increase state expenditures by \$19.0 million in the first fiscal year of implementation. Costs would increase to \$80.5 million as the number of expected participants reaches its peak.

Table 1: Two-Year Projected Fiscal Impact

Component	Year One	Year Two
Annual Cost Per Member	\$27,503	\$27,503
Total Estimated Expenditures	\$55,815,549	\$237,039,546
Federal Funds	\$36,849,426	\$156,493,508
State Funds	\$18,966,124	\$80,546,038

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

- *Georgia Medicaid Members Living with HIV* – The estimate is calculated by applying the national percentage of uninsured persons with HIV (18%) to the current Georgia population with HIV (59,949). It is assumed that 6% of individuals who are uninsured and living with HIV will not join the program, based on the national average of uninsured individuals across Medicaid expansion states.

Unlike the LC 33 8935 fiscal note released in February 2022, this estimate assumes a slower, two-year ramp up of members. Year one enrollment reaches approximately 5,500 new members (year one average of 2,029) and year two enrollment reaches the maximum estimate of 10,143 members (average of 8,619).

The estimate does not include an adjustment for members who start coverage with HIV and are later diagnosed with AIDS.

- *Annual Cost Per Member* – The per member costs are based on FY 2022 claims data for HIV positive members who do not have AIDS. The estimate is consistent with the annual costs of antiretroviral therapy and preexposure prophylaxis.
- *Federal/State Shares* – The estimate assumes a Federal Medical Assistance Percentage (FMAP) of 66.02% during both years, with the state paying the remaining portion.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/ay