

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6569
BILL NUMBER: HB 1162

NOTE PREPARED: Dec 12, 2025
BILL AMENDED:

SUBJECT: Medicaid Waiver Direct Care Staff Compensation.

FIRST AUTHOR: Rep. Novak
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill sets forth requirements for a Home and Community Based Services (HCBS) attendant care service Medicaid provider to meet in the use of the state fund share of Medicaid reimbursement for compensation of direct care staff. It also requires the provider to submit a cost report annually to verify compliance.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The bill will increase workload for the Family and Social Services Administration (FSSA) to receive reports from HCBS providers and ensure compliance with the bill's requirements. This should be able to be implemented using existing staffing and resources.

Additional Information: The bill requires HCBS providers to distribute at least 70% of their state share of Medicaid reimbursement to compensate their direct care staff. HCBS programs provide services in a person's home or community rather than in institution.

Medicaid is jointly funded between the state and federal governments. The state share of administrative costs is 50%. The state share of most Medicaid expenditures is paid from General Fund appropriations.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources:

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