

### Fiscal Estimate - 2025 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>25-5196/1</b>	<b>Introduction Number</b> <b>AB-0604</b>
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**Description**  
 coverage under the Medical Assistance program for incarcerated individuals

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.410(a), 20.410(ds)

<b>Agency/Prepared By</b> DOC/ Craig Vruwink (608) 240-5415	<b>Authorized Signature</b> Anna Neal (608) 228-1331	<b>Date</b> 2/11/2026
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## Fiscal Estimate Narratives

DOC 2/11/2026

LRB Number	<b>25-5196/1</b>	Introduction Number	<b>AB-0604</b>	Estimate Type	<b>Original</b>
<b>Description</b> coverage under the Medical Assistance program for incarcerated individuals					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health Services (DHS) to submit a request to the federal Department of Health and Human Services for a waiver of federal Medicaid law to conduct a demonstration project to provide pre-release coverage to incarcerated individuals. The waiver request would include coverage for case management services, medication assisted treatment (MAT) for all types of substance use disorders, and a 30-day supply of prescription medications under the Medical Assistance program for up to 90 days before release. Further, the bill requires the Department to submit the waiver no later than January 1, 2027.

The Department is unable to identify every service area currently being provided that may be eligible for reimbursement under this bill, but there are several service areas where costs are quantifiable. In FY25, the Department of Corrections (DOC) spent \$500,000 on the 30-day medication supply dispensed for persons in our care (PIOC) pre-release, \$300,000 on pre-release MAT medications, and \$3.9 million on the Opening Avenues to Reentry Success (OARS) Program, a DOC/DHS partnership that supports the prison to community transition of persons in our care (PIOCs) living with a serious and persistent mental illness who are medium-to-high-risk of reoffending.

If the waiver is approved and implemented, DOC estimates there may be over \$750,000 in potential cost savings. As not all PIOCs will qualify for the Medical Assistance program, this estimate assumes that 50% of the medication supply and MAT medications costs will be reimbursed (\$400,000) and that 10% of the OARS program costs (\$390,000) will be reimbursed. Cost savings associated with OARS will be dependent on how the program is designed and which services and costs are determined as eligible by DHS. As is noted above, there may be additional DOC costs eligible for reimbursement, however DHS would need to review DOC services after the waiver is approved to determine other potential areas for cost savings.

To realize any potential cost savings under the waiver, the DOC will need to establish a process for billing and reimbursement. If the Department were to become an approved Medicaid provider and biller, this would require additional staffing resources and equipment, or necessitate contracting with a third-party administrator at an indeterminate future cost.

Incarcerated individuals in local detention facilities may also be eligible for these services, which could result in local cost savings in addition to DOC cost savings. Because not all local detention facilities provide the same type or level of services, DOC is unable to estimate the potential local cost savings of this legislation.

### Long-Range Fiscal Implications