

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4793-01
Bill No.: SB 971
Subject: Medicaid; Elderly; Health Department; Social Services Department; Disabilities
Type: Original
Date: February 27, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on General Revenue Fund	(UNKNOWN) TO UNKNOWN	(UNKNOWN) TO UNKNOWN	(UNKNOWN) TO UNKNOWN

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Official from the **Office of Attorney General (AGO)** state this proposal makes changes to eligibility requirements for the Medicaid personal care attendant program. AGO assumes any potential costs arising with the implementation of this proposal can be absorbed with existing resources.

However, the AGO further assumes that because it is responsible for defending such legislation in constitutionality claims, the nature of these provisions could create a fiscal impact. As a result, AGO assumes costs are unknown, but under \$100,000.

Oversight assumes, because the potential for litigation is speculative, the AGO may or may not incur costs related to this proposal. Oversight assumes if a fiscal impact were to result, the AGO may request funds to through the appropriations process.

Officials from the **Department of Mental Health (DMH)** assume DMH facilities are exempt from state licensing requirements because they are state-operated.

DMH states some indirect fiscal impact may be experienced by DMH clients that have been placed by DMH in contracted facilities, or for residents of these contracted facilities that

ASSUMPTION (continued)

have not been placed by DMH but receive some level of DMH service.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume that any fiscal impact related to personal care services would be incurred by the DOH and would be included in their response since funding for home and community-based services were transferred to DOH in SFY 06.

Officials from the **Department of Health and Senior Services (DOH)** state the Centers for Medicare and Medicaid Services (CMS) requires that personal care services be defined and delivered uniformly to categorically eligible recipients, regardless of where the services are delivered.

DOH states the proposed legislation equates authorization of services to level of care, using three defined categories (minimum, moderate, and maximum), with a uniform number of minutes for each category. Although level of care is a part of the assessment process currently used to determine eligibility for services, service plan development is a subsequent piece of the authorization process in which staff determine how much service should be authorized, the need for referrals to other agencies or programs, etc. DOH states the process takes into account the participant's overall functional limitations and need for assistance, which of those needs are already being met, and what authorized services are needed to supplement the participant's ability to remain independent in their home. DOH states if services are authorized without regard to individualized need, it is possible that there would be an increase, or a decrease, in authorization levels and Medicaid costs depending on how the three levels of service are determined.

DOH states since the legislation does not provide criteria on how the three service levels are defined, the DOH is not able to determine the overall fiscal impact using the proposed classification. The impact to the DOH would range from an Unknown savings to a \$0 to Unknown increase in costs.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE

(Cost) or Savings - Department of Health and Senior Services

Program (costs) or savings	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(UNKNOWN) TO UNKNOWN</u>	<u>(UNKNOWN) TO UNKNOWN</u>	<u>(UNKNOWN) TO UNKNOWN</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

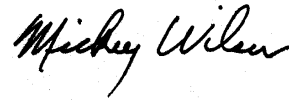
This proposal provides that personal care services shall be provided for persons residing in a residential care facility I or II who are eligible for Medicaid coverage. Such recipients shall be assessed by the department of health and senior services to determine the amount of personal care services the residential care facility is authorized to be reimbursed for under the federal Medicaid laws. There will be three categories of assistance established representing various amounts of minutes for which an eligible recipient needs assistance- minimal, moderate and maximum. This proposal calls for a reimbursement rate for the residential care facility to be established based on the assessments made of the recipient by the department.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of Attorney General
Department of Mental Health
Department of Health and Senior Services
Department of Social Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
February 27, 2006