

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5321-01
Bill No.: SB 1108
Subject: Medicaid; Social Services Department; Disabilities; Elderly; Health, Public;
 Health Care
Type: Original
Date: March 6, 2006

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED | FY 2007 | FY 2008 | FY 2009 |
| General Revenue* | (Greater than \$100,000) | (Greater than \$100,000) | (Greater than \$100,000) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund* | (Greater than \$100,000) | (Greater than \$100,000) | (Greater than \$100,000) |

*Subject to appropriations.

| 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

Officials from the **Department of Social Services - Family Support Division** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Mental Health (DMH)** state this proposal would extend the financial assistance through the Department of Health and Senior Services (DOH) for non-Medicaid eligibles for personal care assistance services. These services would apply to those persons who were non-Medicaid eligible pursuant to sections 178.661 through 178.673, RSMo (Division of Vocational Rehabilitation under Department of Elementary and Secondary Education). DMH states this proposal eliminates the consideration of spousal income and provides an allowance for reasonable living expenses. DMH states it also modifies the premium requirements. These changes would result in more financial assistance payments being made to non-Medicaid eligibles for personal care assistance services, if appropriations are available to DOH.

DMH states this consumer directed personal care program at DOH could affect DMH consumers, making them eligible for personal care services. However, the consumer would be responsible for receiving services through the DOH and any premium payments paid by these new personal care eligibles would be paid by consumer funds. DMH would not be part of the

coordination or ASSUMPTION (continued)

administering of such services. Therefore, this proposal does not have a fiscal impact for DMH.

Officials from the **Department of Health and Senior Services (DOH)** assume number of consumers who will be eligible based upon the new criteria is indeterminate.

DOH states the authority for the consumer-directed personal care assistance services program was transferred from the Department of Elementary and Secondary Education, Division of Vocational Rehabilitation to the Department of Health and Senior Services by executive order in 2005. SB 74 & 49 (2005) modified the requirements of the program to incorporate criteria that individuals demonstrate financial need based on adjusted gross income and the assets of the person seeking financial assistance and such person's spouse (Adjusted gross income less disability-related medical expenses that was equal to or less than 300% of the federal poverty level and assets of less than \$250,000).

DOH states when the program transferred effective August 28, 2005, there were 119 consumers. There are currently 94 consumers eligible for the program; however, 8 of these have received termination notices but appeal processes are still pending. As of February 28, 2006, 151 consumers have requested consumer-directed services but were not Medicaid eligible. According to census data, there are approximately 471,650 physically disabled individuals over the age of 18 in the state. The census data does not break out these individuals by income levels; therefore, DOH is unable to determine what percentage of these 471,650 individuals would qualify for the program. DOH states this proposal would open participation in consumer-directed personal care assistance services program to any individual meeting criteria, subject to appropriations.

DOH states it would need one (1) Social Service Worker II for every 100 consumers enrolled in the program to do level of care determinations, service plan development and case management functions. The DOH would also need one (1) Health Program Representative I for every 100 consumers to do income eligibility determinations and premium collection.

The \$2.3 million core appropriation for this program provides personal care assistance services for the existing 94. The DMS would need an additional \$2.3 million for every 100 consumers participating in the program, subject to appropriations.

Since it is unknown how many additional people will be added to the personal care program, **Oversight** assumes the costs are unknown and would exceed \$100,000. Oversight assumes the costs will exceed the premiums that will be received.

FISCAL IMPACT - State Government FY 2007 FY 2008 FY 2009

GENERAL REVENUE

Costs - Department of Health and Senior Services

| | | | |
|----------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Program costs* | <u>(Greater than \$100,000)</u> | <u>(Greater than \$100,000)</u> | <u>(Greater than \$100,000)</u> |
|----------------|-------------------------------------|-------------------------------------|-------------------------------------|

| | | | |
|---|--|--|--|
| ESTIMATED NET EFFECT ON GENERAL REVENUE* | <u>(GREATER THAN \$100,000)</u> | <u>(GREATER THAN \$100,000)</u> | <u>(GREATER THAN \$100,000)</u> |
|---|--|--|--|

*Subject to appropriations

FISCAL IMPACT - Local Government FY 2007 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 modifies the provisions relating to personal care assistance services for those consumers who are participating as non-Medicaid eligible clients. Under current law, in order to be eligible for financial assistance for consumer-directed personal care assistance services, a consumer shall demonstrate financial need, which shall be based on the adjusted gross income and the assets of the consumer and such consumer's spouse. This proposal would remove the income and assets of the consumer's spouse from the calculation. This proposal also includes reasonable living expenses in the calculation of adjusted gross income. This proposal also provides for a sliding scale for monthly premiums equal to the following:

- (1) For adjusted gross incomes below one hundred fifty percent of the federal poverty level, no monthly premium;
- (2) For adjusted gross incomes between one hundred fifty and one hundred eighty-five percent of the federal poverty level, one percent of adjusted gross income;

DESCRIPTION (continued)

(3) For adjusted gross incomes between one hundred eighty-five and two hundred twenty-five percent of the federal poverty level, three percent of adjusted gross income;

(4) For adjusted gross incomes between two hundred twenty-five and three hundred percent of the federal poverty level, five percent of adjusted gross income.

This proposal also extend the response time for consumers receiving re-verification letters from ten days to thirty days.

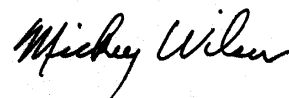
This proposal also removes the expiration date for the personal care assistance programs, which is set to sunset on June 30, 2006.

This proposal contains an emergency clause.

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

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Social Services



Mickey Wilson, CPA
Director
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