

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1787-03  
Bill No.: Truly Agreed To and Finally Passed SCS for SB 418  
Subject: Elderly; Nursing and Boarding Homes; Social Services Department  
Type: Original  
Date: June 1, 2007

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Bill Summary: This proposal increases the monthly personal needs payment under the Supplemental Nursing Care Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$293,732)	(\$352,620)	(\$352,620)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$293,732)</b>	<b>(\$352,620)</b>	<b>(\$352,620)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume the proposed legislation will not have an impact on the DMS. The Supplemental Nursing Care Program is not a Medicaid program. It is administered and funded by the Family Support Division (FSD).

Officials from the **Department of Social Services - Family Support Division (FSD)** states this proposal would raise the personal expense allowance for persons receiving a Supplemental Nursing Care (SNC) cash grant to not more than the Medicaid vendor nursing facility personal needs allowance. Currently, the SNC personal expense allowance is \$25 per month, and the personal needs allowance for recipients of Medicaid vendor nursing facilities program is \$30 per month. FSD is assuming that the SNC personal expense allowance will be raised to match the \$30 per month personal needs allowance allowed for Medicaid vendor nursing facility recipients.

In December, 2006, there were a total of 5,877\* people receiving SNC cash grants. This number does not include program participants that are placed by the Department of Mental Health (DMH). Those individuals receiving SNC cash grants through DMH are not eligible for this personal expense allowance through the FSD. DMH is responsible for the personal expense allowance for DMH placements. Therefore, 5,877 is the number of people eligible to receive the increased stipend for discretionary spending.

This legislation would not add new eligibles to the SNC program, but would increase the cost of the program. Therefore, FSD would not need new staff.

- \* The 5,877 people receiving SNC cash grants are broken into these categories: 1,402 in a licensed residential care facility; 152 in a licensed intermediate care facility or licensed skilled nursing facility; and 4,323 in a licensed assisted living facility.

ASSUMPTION (continued)

Currently, the cost for one month is:  $5,877 \times \$25 = \$146,925$ . One year at this rate is:  $\$146,925 \times 12 = \$1,763,100$ .

If the cost is raised to \$30 per month (which matches the current Medicaid vendor nursing facility personal needs allowance), the cost for one month would be:  $5,877 \times \$30 = \$176,310$ . One year at \$30 per month is:  $\$176,310 \times 12 = \$2,115,720$ . An additional \$352,620 would be needed to cover the increase to \$30 per month ( $\$2,115,720 - \$1,763,100 = \$352,620$ ).

If the personal needs allowance for the Medicaid vendor nursing facility is increased, and the SNC personal expense allowance is increased to match, this would raise the cost of this program accordingly.

Officials from the **Department of Mental Health** assume (according to Family Support Division) the personal needs allowance for recipients of Medicaid vendor nursing facilities is \$30 per month.

Since the Division of Mental Retardation/Developmental Disabilities has a minimum personal allowance of \$30 a month and the Division of Comprehensive Psychiatric Services has an allowance of \$60 per month, this proposal would not fiscally impact the DMH. Section 1617.5 of the Social Security Act requires at least \$30 to be set aside each month to be used for the beneficiary's personal needs.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Social Services</u>			
(FSD) SNC Personal Expense			
Allowance Increase	<u>(\$293,732)</u>	<u>(\$352,620)</u>	<u>(\$352,620)</u>
<b>ESTIMATED NET EFFECT ON</b>			
<b>GENERAL REVENUE FUND</b>	<b><u>(\$293,732)</u></b>	<b><u>(\$352,620)</u></b>	<b><u>(\$352,620)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

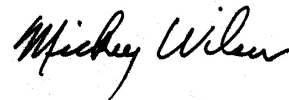
FISCAL DESCRIPTION

Under current law, the maximum amount of personal needs payments a resident of a long-term care facility can receive under the Supplemental Nursing Care Program is \$25 a month. This legislation modifies the amount to be no more than Medicaid vendor nursing facility personal needs allowance amount.

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



Mickey Wilson, CPA  
Director  
June 1, 2007