

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1115-01  
Bill No.: SB 244  
Subject: Disabilities; Health Department  
Type: Original  
Date: March 9, 2009

Bill Summary: This legislation creates a pilot program regarding personal care services for certain disabled adults.

The pilot project shall expire in six years.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown Greater than \$1,000,000)	(Unknown Greater than \$1,000,000)	(Unknown Greater than \$1,000,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown Greater than \$1,000,000)</b>	<b>(Unknown Greater than \$1,000,000)</b>	<b>(Unknown Greater than \$1,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and costs of approximately Unknown Greater than \$1,000,000 in FY10, FY11 and FY12 would net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

#### ***Section 191.875:***

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

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Social Services** assume the pilot program is established in the Division of Senior and Disability Services within the Department of Health and Senior Services (DHSS). Funding for personal care services are currently appropriated to the DHSS. It is assumed funding for this pilot program will also be appropriated to the DHSS.

There will be no fiscal impact to the MO HealthNet Division. The MHD will work with the DHSS to write the required federal waiver. Currently, MHD staff perform quality checks through record reviews on all waivers. It is believed current staff will be able to absorb the extra duties this new pilot will create. However, if similar legislation requiring waivers also pass, collectively the work load will not be able to be absorbed with existing staff and funding for additional staff will be needed.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DHSS)** state the following:

Program and Policy Creation, Administrative Rule Promulgation, and Ongoing Management

The Division of Senior and Disability Services (DSDS) would require one Aging Program Specialist II (\$38,700, Grade A25, Range G) to oversee the development of the pilot program; write the program rules and policies; and develop the administrative rules to govern eligibility requirements, service allowances and limitations, documentation requirements, quality assurance protocols, and rights and responsibilities of participants. This position would also manage ongoing issues; policy, procedure, and administrative rule changes; and program evaluation as necessary.

Number of Clients

Section 191.875.2(6) authorizes DSDS to establish other criteria not identified in the legislation through the administrative rule making process. DSDS assumes that, through administrative rule, additional eligibility criteria will require individuals be eligible for Medicaid benefits and that their level of care and unmet needs be such that they would otherwise require placement in a nursing facility. These requirements will limit the number of individuals eligible to participate in the pilot project.

According to the 2005 United States Census Bureau data, there are approximately 94,140 Missourians age 20-60 with a disability who are not in the workforce and who have an income below Federal Poverty Level. Of this population, DSDS cannot provide an estimate of the number of individuals who would participate in this program due to several unknown factors: the number of individuals who are unable to self-direct their care; the number of individuals that currently have a family member acting as their caregiver; and the number of individuals the program would be able to serve, since it is subject to appropriation.

Cost of Services

DSDS currently manages a program that was transferred from the Department of Elementary and Secondary Education for individuals who are not Medicaid eligible which has a capped number of participants. This program serves individuals who are profoundly disabled and require a high level of services. In FY 2007, the average annual cost per client in the Non-Medicaid Eligible (NME) program was \$13,885. DSDS assumes the cost of care for the individuals in the pilot project would be capped at the equivalent to the average annual cost of nursing facility care. It should be noted that individuals receiving services within the NME program are able to direct their own care and should, by definition, be considered to have needs that may be less than those

ASSUMPTION (continued)

who may access services through the pilot. As such, the \$13,885 annual cost per eligible is likely a low estimate. Cost of services would be based on the number of clients and is therefore unknown at this time.

Service Authorization and Care Plan Management

DSDS would require additional Social Service Worker (SSW) FTE to assess the non-medical aspects of client eligibility as established by administrative rules promulgated for this program (such as any income and asset limits that may be implemented).

As of June 30, 2008, caseloads for the Division's Social Service Workers averaged approximately 210 per FTE ((46,255 In-Home + 11,258 Consumer-Directed + 7,373 RCF)/308 FTE). Pursuant to Section 660.021, RSMo, the Caseload Standards Advisory Committee recommended that caseloads should be no more than 80 per worker. The Division would request additional staff in an effort to reduce average caseloads to at least 100 per Social Service Worker.

Depending on the number of individuals who request to participate in the program, the Division will require an unknown number of Social Service Worker (SSW) FTE to case manage the new eligibles as a result of this legislation. The number of SSWs required would be dependent on caseloads of 100 per worker. Social Service Worker duties include the responsibility for investigation of hotlines; eligibility determination and authorization of state-funded in-home services; and care plan management.

Currently, the ratio of Home and Community Area Supervisors (HCSAS) is one supervisor for every ten SSW FTE. Therefore, since this legislation will require an unknown number of SSW FTE, DSDS may also need additional supervisors and clerical staff at a ratio of ten SSWs to one HCSAS and one clerical staff. HCSASs provide oversight and accountability for the performance of SSWs including case review, evaluation, and guidance. Senior Office Support Assistants-Keyboarding (SOSA-K) provide clerical support services for SSWs and HCSASs including scheduling, correspondence, filing, and other routine clerical duties.

The number of Social Service Workers, Home and Community Area Supervisors, and Senior Office Support Assistants - Keyboarding is based on the number of participants in the program and is therefore unknown at this time.

Quality Monitoring and Investigations

Because the clients will be unable to direct their own care, and, in many cases will be unable to communicate effectively, extensive and specific program standards will be required to safeguard the clients that participate in this program. DSDS assumes some type of assessment will be

ASSUMPTION (continued)

required to ensure that individuals requesting to participate in the program meet all of the eligibility criteria for nursing facility level of care, the inability to self-direct their care, and the ability of the relative caregiver to meet the clients' unmet needs. Depending on the number of individuals that request to participate, DSDS estimates that up to one Public Health Nurse Consultant FTE, with a specialization in mental health and care for disabled individuals, for every 50 participants to provide program and quality oversight will be needed. A similar cost would be estimated if these services were contracted.

DSDS further assumes it will require two Aging Program Specialist I FTEs to review service delivery documentation; ensure appropriate and efficient use of program funds; perform periodic case reviews; investigate complaints against providers and/or vendors; implement appropriate corrective actions and/or sanctions as necessary; and conduct follow-up reviews.

Division of Regulation and Licensure

Section 208.909.4, RSMo states, "No state or federal financial assistance shall be authorized or expended to pay for personal care assistance services provided by a personal care attendant who is listed on any of the background check lists in the family care safety registry under sections 210.900 to 210.937, RSMo, unless a good cause waiver is first obtained from the department in accordance with section 660.317, RSMo." Therefore, a relative caregiver of personal care services would be required to register with the Family Care Safety Registry (FCSR).

DHSS estimates that one Health Program Representative is capable of reviewing 12,000 FCSR screenings annually to make the final determination, and 0.5 Office Support Assistant Keyboarding will be responsible for the final review and mailing of the result letters. In addition, each individual screened receives a notification of the background screening results. DHSS estimates that the mailing of each notification will cost \$0.325.

The Division of Senior and Disability Services (DSDS) believes that there would likely be high demand for this program, which would be limited by appropriation. As DSDS is unable to accurately determine the number of consumers enrolled in this pilot project, it is not possible to estimate the number of registrations and screenings that FCSR would be required to process. An additional unknown number of FTE would be required along with standard expense and equipment, and postage costs. The fiscal impact for this portion is considered to be unknown > \$100,000.

ASSUMPTION (continued)

Summary of Costs

As noted above, DHSS assumes eligibility criteria will be established to limit participation to Medicaid eligible individuals, allowing federal funding to help match the program costs. The blended Federal Medical Assistance Percentage rate of 46 percent General Revenue and 54 percent Federal would be applied to the cost estimate for Personal Services and Expense and Equipment. The FMAP participation rate of 35.82 percent General Revenue and 64.18 percent Federal would be applied to the cost estimate for reimbursement of services. DHSS assumes the fiscal impact of this legislation is unknown.

**Oversight** notes even if 72 individuals were eligible for this program, with the DHSS estimate of \$13,885 per eligible, the fiscal impact would be greater than \$1,000,000.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
 <b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Health and Senior Services</u>			
Program Costs	(Unknown Greater than \$1,000,000)	(Unknown Greater than \$1,000,000)	(Unknown Greater than \$1,000,000)
 <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	 <b><u>(Unknown Greater than \$1,000,000)</u></b>	 <b><u>(Unknown Greater than \$1,000,000)</u></b>	 <b><u>(Unknown Greater than \$1,000,000)</u></b>

**FEDERAL FUNDS**

Income - Department of Social Services

Federal Assistance	Unknown Greater than \$1,000,000	Unknown Greater than \$1,000,000	Unknown Greater than \$1,000,000
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Costs - Department of Social Services

Program Costs	<u>(Unknown Greater than \$1,000,000)</u>	<u>(Unknown Greater than \$1,000,000)</u>	<u>(Unknown Greater than \$1,000,000)</u>
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**ESTIMATED NET EFFECT ON  
FEDERAL FUNDS**

**\$0                      \$0                      \$0**

FISCAL IMPACT - Local Government

FY 2010 (10 Mo.)	FY 2011	FY 2012
<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small healthcare providers who currently provide services to disabled adults who cannot direct their own care would see a decrease in revenue if family caregivers take over the care and receive reimbursement for those services.

FISCAL DESCRIPTION

The proposed legislation requires the Division of Senior and Disability Services, within the Department of Health and Senior Services, to establish, subject to appropriations, a pilot project to allow certain relative caregivers to provide personal care services for disabled adults who cannot self-direct their care. The relative caregiver will receive state assistance for personal care services in the same manner as a caregiver providing consumer-directed personal care services for disabled adults. By December 31, 2013, the Division shall evaluate the effectiveness of the pilot project as it relates to quality of care, participant satisfaction, and feasibility of continuing the program state-wide. Such evaluation shall be submitted to the Department, Governor, and General Assembly.



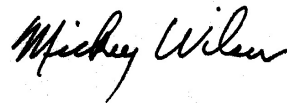
FISCAL DESCRIPTION (continued)

The pilot project shall expire in six years unless re-authorized by the General Assembly.

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  
Office of the Secretary of State



Mickey Wilson, CPA  
Director  
March 9, 2009