

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3328-03
Bill No.: SCS for SB 595
Subject: Disabilities; Elderly; Health Care; Health Care Professionals; Health and Senior Services Department; Health, Public; Medicaid; Public Assistance
Type: Original
Date: March 3, 2020

Bill Summary: This proposal modifies provisions relating to the personal care assistance services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$110,575)	(\$83,474)	(\$65,324)
Total Estimated Net Effect on General Revenue	(\$110,575)	(\$83,474)	(\$65,324)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income, savings, costs and losses could exceed \$120,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	0.5	0.5	0.5
Federal Funds	0.5	0.5	0.5
Total Estimated Net Effect on FTE	1	1	1

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.909 - Consumers' responsibilities; vendors responsible for monitoring

The **Department of Health and Senior Services (DHSS)** interprets this section to mean that DHSS would develop guidance for Consumer Directed Services (CDS) vendors regarding the process to notify DHSS if the attendant was not present or providing services. DHSS staff would follow normal investigation protocol to determine appropriate circumstances to suspend services to the consumer. This will not result in a fiscal impact.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by DHSS for this section for fiscal note purposes.

§208.918 - Development of interactive assessment tool

Officials from the **Department of Social Services (DSS)** note §208.918 states "(a) the department of health and senior services shall promulgate by rule a consumer-directed services division provider certification manager course;" There are currently more than 850 enrolled CDS providers that will need to complete the certified manager training. Some of the CDS providers will request that more than one staff member also complete the certified manager training due to the size of their agency or because they have satellite offices around the state. There are approximately 150 CDS enrollment applications in progress at any given time. The Missouri Medicaid Audit Compliance Unit (MMAC) estimates they will have a minimum of 1,000 to 1,200 providers who will need to complete the certified manager training course. MMAC will need one (1) new FTE, a Medicaid Specialist (\$47,079 annually), to help the providers complete the training. The new Medicaid Specialist would be responsible for developing the CDS certified manager training course, administration of the tests to pass the course, and for maintaining a registry of providers that have completed and passed the course. The Medicaid Specialist would also be responsible for updating Missouri Medicaid Provider Enrollment files with the CDS certified manager training information.

MMAC will monitor compliance with this statute through provider attestation.

Oversight notes DSS assumes it will need a total of 1 FTE at \$47,079 annually plus equipment and expense (50% GR; 50% Federal) as a result of the provisions of this proposal. Based on discussions with DSS officials, it is assumed the additional FTE can be housed within current DSS locations. Therefore, Oversight is using a recalculated amount adjusted for rent, utilities, and janitorial services. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in DSS needing additional rental space.

ASSUMPTION (continued)

Officials from the **DHSS** state although this section does not explicitly state that Missouri Medicaid Audit and Compliance (MMAC) will complete the verification outlined in 208.918.2(5), audit and compliance functions associated with Home and Community Based Services (HCBS) Medicaid providers in the state of Missouri are the responsibility of MMAC. Therefore, DHSS assumes that MMAC will verify compliance with §208.918.2(5).

DHSS interprets §208.918.2(3)(a) to mean DHSS would promulgate a rule to define the elements and frequency of the consumer-directed division provider certification manager course, and Missouri Medicaid Audit and Compliance (DSS) would maintain responsibility for provisions of the course and administering the exam. This would be similar to the current certified manager course required of agency model in-home services providers and would follow the delineation of authorities granted through executive order to MMAC, specifically related to the responsibilities of provider education and oversight.

§208.924 - Circumstances when a consumer's services may be discontinued

DHSS interprets the language in this section to give the department authority to terminate consumer-directed services in the outlined circumstances, in addition to those already listed in (1) - (6). DHSS would develop guidance for staff related to this additional circumstance leading to the closure of services. This will not result in a fiscal impact.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by DHSS for this section for fiscal note purposes.

§208.935 - Mobile assessments and development of interactive assessment tool

DHSS officials state HCBS assessor staff conduct initial assessments to determine nursing home level of care (LOC) eligibility for services. In addition, assessors conduct annual reassessments on current participants to ensure continued eligibility for HCBS and aid in care plan changes. Currently, the assessments and reassessments are completed in the participant's home using a 13-page paper copy form which is manually filled out by DSIDS staff and then manually entered into the CyberAccess WebTool, resulting in a duplication of efforts. It is estimated DSIDS assessor staff spend one hour of time for the manual data entry of initial assessments, as well as one hour of time for the manual data entry of annual reassessments in the WebTool. Based on FY 2018 data, the manual data entry results in 38,002 hours of staff time per year (18,170 initial assessments + 19,832 annual reassessment = 38,002 x 1 hour of time = 38,002 hours). Staff time will be reinvested in a variety of ways to improve integrity of the program, including: implementation of a certified assessor process which requires more stringent training guidelines and quality assurance for assessors to ensure quality and accuracy in HCBS assessments; and completion of additional annual reassessments in person. (Currently, reassessments may be completed via telephone when workload exceeds staff capacity.)

ASSUMPTION (continued)

§208.935 would allow for the development of a mobile application to conduct both initial HCBS assessments as well as annual reassessments. This would equip assessor staff with tablets that could be preloaded each morning with assessments to be completed using a touch screen application rather than a hard paper copy. Staff could then upload or sync those assessments to the CyberAccess WebTool using a secure Wi-Fi connection or "docked" at the office at the end of the day, thereby eliminating the need to manually enter the information at a desktop.

Eliminating the hard paper copy would also lead to cost savings in the amount of paper and toner used annually. The current hard paper copy assessment tool is 13 pages - seven pages front and back, resulting in 266,014 pieces of paper annually, or 532 reams (7 pages x 38,002 assessments = 266,014; 266,014 pieces of paper / 500 pieces of paper per ream = 532 reams). At a cost of \$2.77 per ream the total savings for paper per year would be \$1,474 (532 x \$2.77 = \$1,474). It is estimated one toner cartridge can print 35,000 pieces of paper. The reduction in hard paper copies would also lead to \$1,314 in toner savings per year (266,014 pieces of paper / 35,000 pieces of paper per toner cartridge = 7.6 less cartridges used; 7.6 x \$172.90 cost per cartridge = \$1,314 savings - GR 50% / Fed 50%). Total cost savings per year are estimated to be \$2,788 (\$1,474 + \$1,314 - GR 50% / Fed 50%). (Savings for FY 2021 will be \$2,322 for 10 months.)

One-time development costs by the current CyberAccess contractor, Conduent, for the mobile assessment application are estimated to be \$500,000 (GR 10% / Fed 90%), which would occur in SFY 2021, and annual maintenance fees of \$179,831 in SFY 2022 (GR 25% / Fed 75%), and \$105,717 in SFY 2023 (GR 25% / Fed 75%). In addition, an initial investment of approximately \$50,750 will be required for the purchase of 125 tablets/iPads with related accessories (as quoted to us by ITSD vendor as of 1/18/19) with an anticipated replacement cycle of every three years (GR 50% / Fed 50%).

FY 2021 fiscal impact: \$548,428 (\$74,214 GR; \$474,214 Fed);
FY 2022 fiscal impact: \$177,043 (\$43,564 GR; \$133,479 Fed); and,
FY 2023 fiscal impact: \$102,929 (\$25,035 GR; \$77,894 Fed).

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DHSS for fiscal note purposes.

Bill as a whole

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

ASSUMPTION (continued)

Officials from the **Office of 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 Secretary of State's office 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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.** However, we also recognize 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 our office can sustain with our 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 require additional resources.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Savings - DHSS (\$208.935)</u>			
Paper and toner	\$1,161	\$1,394	\$1,394
<u>Costs - DSS/MHD (\$208.918)</u>			
Personal service	(\$19,616)	(\$23,775)	(\$24,013)
Fringe benefits	(\$11,314)	(\$13,656)	(\$13,735)
Equipment and expense	<u>(\$5,431)</u>	<u>(\$2,479)</u>	<u>(\$2,541)</u>
Total <u>Costs - DSS</u>	<u>(\$36,361)</u>	<u>(\$39,910)</u>	<u>(\$40,289)</u>
FTE Change - DSS	0.5 FTE	0.5 FTE	0.5 FTE
<u>Costs - DHSS (\$208.935)</u>			
Mobile assessment system changes	(\$50,000)	(\$44,958)	(\$26,429)
Mobile assessment tablets and accessories	<u>(\$25,375)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs - DHSS</u>	<u>(\$75,375)</u>	<u>(\$44,958)</u>	<u>(\$26,429)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$110,575)</u>	<u>(\$83,474)</u>	<u>(\$65,324)</u>
Estimated Net FTE Change on the General Revenue Fund	0.5 FTE	0.5 FTE	0.5 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
FEDERAL FUNDS			
<u>Income - DSS (§208.918)</u>			
Reimbursement for program expenditures	\$36,361	\$39,910	\$40,289
<u>Income - DHSS (§208.935)</u>			
Reimbursement for mobile assessment system changes and equipment	\$475,375	\$134,873	\$79,288
<u>Savings - DHSS (§208.935)</u>			
Paper and toner	\$1,161	\$1,394	\$1,394
<u>Costs - DSS/MHD (§208.918)</u>			
Personal service	(\$19,616)	(\$23,775)	(\$24,013)
Fringe benefits	(\$11,314)	(\$13,656)	(\$13,735)
Equipment and expense	(\$5,431)	(\$2,479)	(\$2,541)
Total <u>Costs - DSS</u>	<u>(\$36,361)</u>	<u>(\$39,910)</u>	<u>(\$40,289)</u>
FTE Change - DSS	0.5 FTE	0.5 FTE	0.5 FTE
<u>Costs - DHSS (§208.935)</u>			
Mobile assessment system changes	(\$450,000)	(\$134,873)	(\$79,288)
Mobile assessment tablets and accessories	<u>(\$25,375)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs - DHSS (§208.935)</u>	<u>(\$475,375)</u>	<u>(\$134,873)</u>	<u>(\$79,288)</u>
<u>Losses - DHSS (§208.935)</u>			
Reduction in program expenditure reimbursement for paper and toner	<u>(\$1,161)</u>	<u>(\$1,394)</u>	<u>(\$1,394)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated net FTE Change on Federal Funds	0.5 FTE	0.5 FTE	0.5 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

This act requires the consumer to permit the vendor to comply with its quality assurance and supervision process, including bi-annual face-to-face home visits and monthly case management activities. During the home visits, the vendor shall document if the attendant was present and providing services as set forth in the plan of care and report the Department if the attendant is not present or providing services, which may result in a suspension of services to the consumer. (§208.909)

This act also requires vendors to notify consumers during orientation that falsification of personal care attendant time sheets shall be considered and reported to the Department as fraud.

Under this act, a vendor shall submit an annual financial statement audit or annual financial statement review performed by a certified public accountant to the Department upon request. The Department shall require the vendor to maintain a business location in compliance with any and all city, county, state, and federal requirements. Additionally, this act requires the Department to create a consumer-directed services division provider certification manager course. No state or federal funds shall be authorized or expended for personal care assistance services if the owner, primary operator, certified manager, or any direct employee of the consumer-directed services vendor is also the personal care attendant.

Currently, a consumer's services may be discontinued if the consumer has falsified records. This act adds language to include providing false information of his or her condition, functional capacity, or level of care needs. (§208.918)

Finally, the Department shall, subject to appropriations, develop an interactive assessment tool for utilization by the Division of Senior and Disability Services when implementing the assessment and authorization process for home and community-based services authorized by the Division. (§208.935)

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

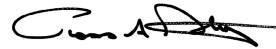
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SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Joint Committee on Administrative Rules
Office of Secretary of State



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March 3, 2020



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