

Fiscal Estimate Narratives

DHS 11/4/2013

LRB Number	13-2606/1	Introduction Number	AB-0312	Estimate Type	Original
Description Providing services to children on the waiting list for the Children's Long-term Support waiver programs and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The Department of Health Services operates the Children's Long-Term Support Waiver Program. There are three federal waivers: one for children with developmental disabilities, one for children with mental health disabilities, and a third for children with physical disabilities. The Department administers the waivers jointly under the Children's Long-Term Support Program. While the three waivers are administered as one program, there are separate waitlists based on the benefits a child requires to meet their needs. Children in need of autism treatment are placed on one waiting list while children who do not require autism therapies are placed on a second waiting list.

This bill provides \$2,260,500 GPR in the first year of the biennium and \$4,156,400 GPR in the second year of the biennium. The bill requires the Department to do two things with this funding: 1) Provide full benefits to 482 children who are currently on either the autism or non-autism waitlist; and 2) Provide eight hours of services for six months to at least 300 children who remain on a waitlist for Children's Long-term Support services. While the GPR and associated federal match is sufficient to provide the services required, the Department is not allowed to meet the second requirement nor claim federal funding for a time and services limited benefit under the current federal waivers.

Under the current Children's Long-Term Support Waivers, the Department is required to follow federal law which requires all of a child's medical needs to be met after the child begins to receive waiver services. Other states have received federal approval for a limited service waiver which limits the scope of benefits provided and allows the state to meet only a portion of a child's medical needs. It is unknown whether the federal Centers for Medicare and Medicaid Services would approve a waiver that limited the number of hours of service and only provided those limited services for a six month period of time. The Department would need to request three limited service waivers. The three limited services waivers would mirror the current waiver's population target groups of physical, developmental, and mental health disabilities.

If the Department were to pursue and be approved for three limited service waivers to serve 300 children in the populations currently on a waitlist for the Children's Long-Term Support program, new administrative costs would be expected. The Department would incur additional administrative costs associated with maintaining three new waivers, managing those waivers distinctly from the current waivers, reporting all costs for the limited services waiver separately, and would likely be required to submit quality review data on all children given the small number of children in the waiver. One-time systems costs could be significant and ongoing third party administrator (bill payment) costs would be required in order to track eligibility and benefits payments. Without a fully developed waiver, these administrative costs are difficult to estimate.

In summary, the funding provided in this bill and associated federal matching funds would be sufficient for the Department to phase in the full set of services needed by the 482 children who are on either the autism waitlist or the waitlist for children with other disabilities. Costs vary by child and are dependent upon the child's medical needs. Services would be phased in due to staff and provider capacity. Current federal program waiver authority allows the State to serve these children without any changes to the existing waivers. The funding would be sufficient to also provide eight hours of services for a six month period of time to children who remain on the waitlist, if federal matching funds were available to match the GPR funding. However, it is unknown if a federal waiver would be approved to provide fewer services than the child requires and to provide the services for a time-limited, six month period.

This bill is not expected to impose a cost on local governments. The GPR funds included in the bill and associated federal matching funds are sufficient for the proposed services.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Providing services to children on the waiting list for the Children's Long-term Support waiver programs and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): If the Department were to pursue and be approved for limited service waivers to serve 300 children on a waitlist, there could be significant one-time systems programming costs. Systems would need to be modified to track eligibility and process claims for select services for a time-limited period.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	10,194,800		
TOTAL State Costs by Category	\$10,194,800		\$
B. State Costs by Source of Funds			
GPR	4,156,400		
FED	6,038,400		
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED	6,038,400		
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$6,038,400		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$10,194,800		\$
NET CHANGE IN REVENUE	\$6,038,400		\$
Agency/Prepared By			
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