

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3356/1	Introduction Number SB-289	
Subject		
Various provisions relating to developmental disabilities		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s.20.435(4)(b) and (6)(a)		
Agency/Prepared By	Authorized Signature	Date
DHFS/ Andy Forsaith (608) 266-7684	Fred Ellen Bove (608) 266-2907	01/23/2002

Fiscal Estimate Narratives

DHFS 01/23/2002

LRB Number	01-3356/1	Introduction Number	SB-289	Estimate Type	Original
Subject					
Various provisions relating to developmental disabilities					

Assumptions Used in Arriving at Fiscal Estimate

Membership of the Council on Developmental Disabilities

Under current law, the Council on Developmental Disabilities consists of 26 members appointed by the Governor. The members include individuals from state agencies, public and non-profit direct service agencies, and non-governmental agencies and groups that have an interest in persons with developmental disabilities. This bill would require the Governor to appoint four legislative members to the Council on Developmental Disabilities as designated by the speaker of the assembly, the assembly minority leader, the senate majority leader and the senate minority leader. This change would increase the size of the board to 30 members.

Federal law requires that 60 percent of Council members be persons with developmental disabilities or their parents and guardians. If four legislators were added to the Council, an additional six consumer members must be appointed to comply with federal law. The Council reimburses members for costs associated with attending the meetings, such as travel, room and board, and attendant care. These reimbursements average approximately \$1,000 per member per year. The fiscal effect of adding an additional ten members to the Council is estimated to be \$10,000 GPR per year.

Pilot Program for Long Term Care of Children with Disabilities

2001 Act 16 requires the Department to seek waivers of federal Medical Assistance statutes and regulations to implement a children's long term care pilot program and specifies several characteristics that the pilot program should include. Act 16 also requires the state to seek any necessary state statutory language to implement the program once the federal waivers are approved. This bill would establish the following additional requirements for the Department when designing and implementing the program:

1) The bill would require the Department to seek the federal waivers and statutory language by July 1, 2002. This provision would have no fiscal effect on DHFS or on county human services or social services departments.

2) The bill would require that eligibility for Community Options Program-Waiver (COP-W), the Community Integration Program (CIP), the Family Support program, and the Birth to Three program be "expanded to include children with severe disabilities and long-term care needs and children eligible for medical assistance with high medical costs." The bill would also require that medical assistance coverage of services be expanded "to include services focused on the needs of children with developmental disabilities and their families." It is assumed that the bill directs the Department to seek federal waivers and state statutory language to expand Medical Assistance eligibility to all non-disabled children with high medical costs, regardless of income. Most of these new children may not meet federal Medicaid eligibility requirements, and therefore it is assumed that their costs would be funded entirely with GPR. Assuming that 500 additional children would qualify for MA under such a change and that annual services for these children would equal \$31,500 per year (the average cost of MA services for children with severe health needs in the Katie Beckett program) the annual cost to MA would be \$15,750,000 GPR. "Services focused on the needs of children with developmental disabilities and their families" could involve expanding MA services to include personal care services provided outside the individual's home and personal care services for instrumental activities of daily living. It is estimated that if MA services were expanded in this way, the annual cost would be a minimum of \$62,320,000 AF (\$25,707,000 GPR) per year. Additional services, such as pediatric medical day care, could be added as well, which would further increase the cost.

The bill also specifies that, under the pilot program, the Department must provide "transitional services to families whose children with physical and developmental disabilities are preparing to enter the adult system." Currently, school districts are required to provide transitional services to children with disabilities. It is assumed, if the pilot program were required to offer transitional services, it would provide those services only in circumstances where a child needs additional services beyond those provided by school districts. It is not

possible to estimate the cost of those services that would need to be provided under the pilot program. In many circumstances, no federal reimbursement would be available for these services, and as a result, the costs would need to be funded entirely from GPR.

Plan for services for persons with developmental disabilities

The bill would require the department to develop a plan to administer and fund services to persons with developmental disabilities that would include: 1) consolidating institutional and community-based services in a single administrative subunit, 2) combining medical assistance funding for institutional and community based services in one appropriation, and 3) individually tailoring funding to enable clients to live in the least restrictive setting. It is likely that such an administrative and fiscal consolidation would result in significantly higher administrative costs for the Department. Among other aspects, the consolidation would require the Department to administer MA funds for persons with developmental disabilities separately from the rest of the MA program, which would result in significant staff duplication in such areas as policy and rate setting, prior authorization, and audit services. It is not possible to estimate the fiscal effect of this provision until the Department develops the plan ordered by the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Various provisions relating to developmental disabilities			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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		10,000	
Local Assistance			
Aids to Individuals or Organizations		78,070,000	
TOTAL State Costs by Category		\$78,080,000	\$
B. State Costs by Source of Funds			
GPR		41,467,000	
FED		36,613,000	
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, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$78,080,000	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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