

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-2001/1	Introduction Number SB-74	
Subject Council on 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 type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <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 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <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 DHFS/ Erin Warner (608) 266-9363	Authorized Signature Freda Ellen Bove (608) 266-2907	Date 7/15/2003

Fiscal Estimate Narratives

DHFS 7/16/2003

LRB Number	03-2001/1	Introduction Number	SB-74	Estimate Type	Original
Subject					
Council on 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 persons with developmental disabilities or their parents and guardians, as well as people 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.

The bill also requires the Council to evaluate the waiting lists for developmental disability services that is compiled by the Department and to submit an annual report regarding the status to the legislature at the end of each calendar year. This activity should have no fiscal impact on the Council.

Children's Long Term Support Redesign

1) The bill would require the Department to seek the federal waivers and statutory language as soon as possible before July 1, 2004. 2003 Senate Substitute Amendment 1 to SB 44 (the 2003-2005 Biennial Budget) as passed by both Houses of the Legislature includes the funding and statutory language to implement Children's Long Term Support Redesign on a limited basis. The Department submitted the necessary waivers to the federal Centers for Medicare and Medicaid Services in June 2003 and anticipates getting federal approval in the fall of 2003. Therefore, 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." The children's waivers specify that the Children's Long Term Support program will operate as a distinct program that provides services to children with a physical disability, developmental disability, or severe emotional disturbance if they meet the Katie Beckett Program eligibility criteria. The new waivers allow the Department to limit enrollment to the amount of funding available. The new program will not modify any eligibility criteria in existing long term support programs. There are currently 4,879 children on community care wait lists. The projected annualized cost to serve these children on COP-W, CIP, or Family Support under the proposed bill (SB 74) is \$45,465,600 AF (\$23,688,800 GPR) assuming an average cost of \$48.42 per day for children on the waivers and \$3,000 per year for children on the Family Support Program. In most cases, children on the waiting list for waiver programs would be receiving publically funded Medical Assistance fee for service benefits. Once on the waiver, a child would get an average of \$48.42 per day of waiver services in addition to their Medical Assistance fee for service benefits. In addition to the current waiting list, there are children who would be eligible for the Medical Assistance waivers who are not currently on a wait list. It is possible that the families of some of these children would choose to enroll their children in a waiver program if accessibility to waivers increases as proposed in the bill.

The bill also specifies that, under the waiver 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. If the child is unable to receive transitional services through the school system, the waiver will have the flexibility to do so. This will have no additional fiscal impact on the Department because the transitional service costs would be factored into the waiver rate.

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. The Department has consolidated the former Divisions of Supportive Living and Care and Treatment Facilities into one new Division called the Division of Disability and Elder Services. Although the Divisions have merged, their funding remains in separate appropriations. Combining the appropriations 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 - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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Subject			
Council on 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	45,465,600		
TOTAL State Costs by Category	\$45,475,600		\$
B. State Costs by Source of Funds			
GPR	23,698,800		
FED	21,776,800		
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			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$45,475,600		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By		Authorized Signature	Date
DHFS/ Erin Warner (608) 266-9363		Fredi Ellen Bove (608) 266-2907	7/15/2003