

Fiscal Estimate Narratives

DHFS 4/26/2006

LRB Number	05-3365/2	Introduction Number	AB-1115	Estimate Type	Original
Description Requiring a report concerning relocations and diversions from nursing homes, intermediate care facilities for the mentally retarded, and centers for the developmentally disabled					

Assumptions Used in Arriving at Fiscal Estimate

AB 1115 requires the Department of Health and Family Services (DHFS) to submit to the Joint Committee on Finance a report by January 1, 2007, that includes information collected from July 1, 2003, through at least July 1, 2006, concerning relocations and diversions made from nursing homes, intermediate care facilities for the mentally retarded (ICF-MR), and the state centers for the developmentally disabled. The report must include information on the following seven items.

- 1) The impact of the relocations and diversions on the health and safety of the individuals relocated or diverted.
- 2) The extent of involvement of guardians or family members of the individuals in efforts to relocate or divert the individuals.
- 3) The nature and duration of relocations or diversions that specifies the locations of relocated or diverted individuals every year after home or community placements occurs, so as to keep track of the individuals on an ongoing basis.
- 4) An accounting of the costs and savings under the Medical Assistance program of relocations and diversions and the resulting reduction in capacity for services of nursing homes, ICF-MR, and state centers for the developmentally disabled.
- 5) The costs under the Medical Assistance program of administration, housing, and other services, including nursing, personal care and physical therapy services that are associated with the relocations and diversions.
- 6) The extent of Medical Assistance provided to relocated or diverted individuals that is in addition to Medical Assistance provided under one of the home and community based waivers, Family Care or Partnership/PACE.
- 7) Staff turnover rates from nursing homes, ICF-MR and the state centers for the developmentally disabled.

The bill does not specify a minimum or maximum length of community placement nor does it specify a minimum or maximum level of MA services received by relocated individuals. The eligibility criteria for Home and Community Based Waivers (HCBW), in part, requires that the waiver client meets the nursing home level of care. Thus, the Department's interpretation of this bill is that all individuals newly enrolled in home and community based waivers, Family Care or PACE/Partnership between July 1, 2003 and July 1, 2006 have been either relocated or diverted from a nursing home, ICF-MR or state center. There are approximately 33,000 individuals currently enrolled in home and community based waivers, Family Care, and PACE/Partnership. There were approximately 19,000 new individuals who entered home and community based waiver programs, Family Care, or Partnership/PACE between July 1, 2003 and March 15, 2006.

It is possible that additional individuals have relocated to the community who have not accessed home and community based waivers, Family Care or PACE/Partnership. It is assumed this bill requests information on these individuals as well. The number of these individuals is unknown at this time due to the complexity of identifying these individuals with existing Department data. However, if required under this bill, these individuals could be identified.

This fiscal estimate is based on the premise that the Department will use its existing data sources to collect this information.

The Department currently collects health and safety data all on home and community based waiver (HCBW) recipients, Family Care members and PACE/Partnership members through the long-term care functional screen (LTCFS). LTCFS data includes data on the type of residence an individual is currently living in and his/her preferred residence, as well as information on the role of family members and guardians in facilitating and maintaining a community placement. HCBW, Family Care and PACE/Partnership recipients receive a LTCFS annually as well as when an individual has a change in condition. Often recipients also

have a LTCFS taken while they reside in a facility prior to enrolling in a program. LTCFS data is available for all Family Care and PACE/Partnership members for the requested time period. However, because the LTCFS was phased in to be used by HCBW programs in 2004, no HCBW recipients have LTCFS data for CY 2003, and only approximately half of HCBW recipients had a LTCFS in CY 2004. The Department could analyze LTCFS to provide some of the data requested under items one, two and three.

The Department also contracts for external quality reviews of the Family Care and PACE/Partnership programs as required under federal guidelines. External reviews include information on how well each program is meeting the health and safety needs of its recipients. The Department could use these reviews to provide additional information for item number one.

The Department can access Minimum Data Set (MDS) data for all individuals relocating from a nursing home into the community. MDS data includes information on family and other social supports for an individual relocating to the community. This data is available for individuals residing in nursing homes, but not individuals in ICFs-MR or State Centers. The Department could use this data to provide additional information for item two.

Medicaid costs in the community for all relocated and diverted individuals are available from the Department's MEDS data system. This data could be analyzed to provide the requested information for items four, five and six. MEDS data could also be used to identify Medicaid savings under item four for individuals who relocate from a facility to the community. Data would also be available to calculate Medicaid savings for diversions, although a calculation for identifying diversion savings would require the Department to exercise independent judgment since it is not defined in the bill and potentially could be calculated in many different ways.

Finally, the Department collects data on staff turnover rates in nursing homes and ICFs-MR in the annual nursing facility surveys. Because a survey method is used, there is significant lag in the data. For example, CY 2004 is the most current data available. However, the Department could provide the information requested under number seven for a portion of the time period requested using nursing facility survey data.

To compile existing data into the requested report format, the Department estimates one month of a full-time senior level analyst contract employee would be needed. Based on current Department contract costs for senior level analysts, it is estimated that this report would cost \$8,000 AF (\$4,000 GPR). This estimate is calculated as 1 FTE for one month = 160 hours x \$50 per hour = \$8,000 AF (\$4,000 GPR). The Department assumes that Medical Assistance federal financial participation for this report will be available at a rate of 50%. If the federal matching funds are not available the full cost of this report would need to be funded with GPR.

If existing Department data sources are used, counties are not likely to bear additional costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): Data Compilation: \$4,000 GPR			
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			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
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			
	State	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By			
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