

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HCR 7** HLS 13RS 774
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2013 8:20 AM	Author: BARROW
Dept./Agy.: Health and Hospitals	Analyst: Patrice Thomas
Subject: Suspends Resource Allocation Models for HCBS Waivers	

HEALTH/HOME CARE OR +\$63,336,674 GF EX See Note Page 1 of 1
 Suspends laws authorizing DHH to implement resource allocation models for Medicaid-covered home- and community-based long-term care services

In present law, the Home and Community-Based Long-Term Care Act authorizes the Department of Health and Hospitals (DHH) to implement resource allocation models for Medicaid covered home and community-based long-term care services for elderly, disabled, and persons with developmental disabilities. Proposed law suspends present law until 60 days after the final adjournment of the 2014 Regular Session of the Legislature (August 2, 2014).

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$63,317,861	\$0	\$0	\$0	\$0	\$63,317,861
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$99,452,989	\$0	\$0	\$0	\$0	\$99,452,989
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$162,770,850	\$0	\$0	\$0	\$0	\$162,770,850

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$99,452,989	\$0	\$0	\$0	\$0	\$99,452,989
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$99,452,989	\$0	\$0	\$0	\$0	\$99,452,989

EXPENDITURE EXPLANATION

Suspending resource allocation models utilized by the Department of Health and Hospitals (DHH) for Medicaid covered long-term home and community-based services (HCBS), or waivers, for over one year is anticipated to significantly increase State General Fund expenditures in FY 14. Information provided by the Department of Health and Hospitals indicates a maximum increase of \$63,336,674 in State General Fund expenditures and \$99,440,695 in Title 19 Medicaid Federal funds resulting in a total increase of \$162,777,369 in total funding. The information is based on actual expenditures of the HCBS waivers before cost allocation models were implemented.

Although the Medicaid Program provides payment, the Office for Aging and Adult Services (OAAS) and the Office for Citizen's with Developmental Disabilities (OCDD) administers HCBS waivers. Within DHH, only three HCBS are subjected to resource allocation: (1) Community Choice Waiver, that replaced the Elderly and Disabled Adult (EDA) Waiver, administers by OAAS; (2) Long-Term Personal Care Services (LTPCS) administers by OAAS; and (3) New Opportunities Waiver (NOW) administers OCDD.

	(A) Avg # Recipients	(B) Costs Before Resource Allocation*	(C) Costs After Resource Allocation*	(D) Difference*	(A x D) Projected HCR 7 Costs*
LTPCS (OAAS)	15,933	\$17,432	\$14,126	\$3,306	\$52,674,498
Community Choices (OAAS)	4,734	\$39,706	\$26,426	\$13,280	\$62,867,520
NOW (OCDD)	7,672	\$55,185	\$49,029	\$6,156	\$47,228,832
Total					\$162,770,850

*Rounding

REVENUE EXPLANATION

Revenue reflects the Title 19 Medicaid federal match rate.

Senate <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	Dual Referral Rules <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	House
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John D. Carpenter
 Legislative Fiscal Officer