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FISCAL IMPACT REPORT

SPONSOR: Knauer DATE TYPED: 02/15/01 HB 353
 SHORT TITLE: Services for Developmentally Disabled SB _____
 ANALYST: Esquibel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 11,820.0			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act of \$4,834.8

Duplicates SB163; Relates to SB20, HB2

SOURCES OF INFORMATION

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 353 appropriates \$11,820.0 to DOH for the following:

- \$7 million to adjust DD waiver provider rates, including setting the base direct care staff rate at \$10.00 per hour;
- \$3 million to increase rates for services provided through state general funds;
- \$1.7 million to design and implement a new funding model for early intervention services; and
- \$120.0 to expand state general funded respite services.

Significant Issues

DOH indicates there has not been an overall adjustment of general funded rates for DD providers for several years. The rates paid under state general fund for some comparable waiver services are lower than for those waiver services.

FISCAL IMPLICATIONS

The appropriation of \$11,820.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

House Bill 2 contains \$1,092.9 in base expansion to increase DD provider rates, and \$3,741.9 in base expansion to address the DD waiting list. HB2 also contains language stipulating:

Unexpended or unencumbered balances remaining at the end of fiscal year 2002 in the medicaid waivers activity of the long-term care program of the department of health shall be expended to increase provider rates in the developmental disabilities Medicaid waiver program and developmental disabilities general fund program as allowed by the federal Health Care Financing Administration.

DOH indicates the \$7 million appropriation for DD waiver providers contained in the bill, if leveraged with federal Medicaid funds, would provide an additional \$19.3 million.

OTHER SUBSTANTIVE ISSUES

DOH indicates the appropriation to increase general fund service rates would result in an approximate 16% increase in rates. There would be an overlap with the early intervention appropriation proposed in the bill, as almost half of the \$18 million in general fund is for services for children, including early intervention services.

Also, DOH indicates it needs to implement a new methodology to fund early intervention services that assures appropriate services are provided for eligible children.

RAE/sb