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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/07

SPONSOR Trujillo LAST UPDATED _____ HB 817

SHORT TITLE Developmental Disabilities Programs SB _____

ANALYST Geisler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: SB 766

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 817 would appropriate \$1,000,000 to the Department of Health (DOH) for general fund developmental disabilities programs for the purpose of moving toward rate equity with the developmental disabilities Medicaid Waiver program rates. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

FISCAL IMPLICATIONS

An appropriation for the purposes of HB 817 is not contained in the Executive Budget Request for the Department of Health.

SIGNIFICANT ISSUES

From DOH

The Developmental Disabilities Support Division (DDSD) of DOH has 30 contractors of Developmental Disabilities (DD) general fund services that would benefit from this appropriation. Where general fund services are comparable with DD Waiver services, there is a

total of \$6,165,078 general funded services that would be impacted by the rate increases. There are disparities in the DD general fund rates and the Medicaid Waiver rates. However, this is a legitimate rate difference because persons who do not qualify for the DD Medicaid Waiver usually do so because the degree of the disability is less than the requirements for the DD Waiver. Therefore, individuals served by the general fund program typically have lesser needs and thus incur lesser costs associated with their services. The last DD general fund rate increase was 2% in 2001.

The following is comparison between comparable general fund services and Waiver services:

- General fund monthly residential rate is \$1,530
- Waiver funded monthly residential rate is \$4,041 (converted from 15 minute per unit rate)
- General funded monthly day program rate is \$739
- Waiver funded monthly rate is \$1,027 (converted from daily unit rate)

It should be noted that general fund respite and waiver rates are comparable and thus are not included in the rate distribution analysis. General fund self directed service and project specific general funds services are not used in the comparison because there are no comparable services on the Waiver.

ADMINISTRATIVE IMPLICATIONS

A rate distribution methodology would need to be developed. Rate increases would need to be allocated through state general fund contracts. Staff of the DDS programs would need to meet with a representative group of DD general fund providers to determine the methodology for distributing the rate increases.

DUPLICATION

HB 817 is duplicated by SB 766.

GG/nt