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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/08

SPONSOR     Komadina     LAST UPDATED                      HB                     

SHORT TITLE     Medicaid Waiver Cost-of-Living Increase     SB     268    

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ANALYST     Geisler    

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$3,100	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 268 would appropriate \$3.1 million dollars to the Department of Health (DOH) to fund a cost-of-living increase to providers in the Developmental Disabilities Medicaid Waiver programs. The funds are targeted at maintaining quality of services, improving staff recruitment and retention, providing employee health insurance, and salary increases. Any unexpended funds remaining at the end of fiscal year 2009 would revert to the General Fund.

### FISCAL IMPLICATIONS

DOH notes that the funding proposed by this legislation was not included in the executive budget request.

### SIGNIFICANT ISSUES

Senate Bill 268 seeks to address an on-going issue faced by many developmental disability providers—the cost of doing business is increasing faster than reimbursements received for services delivered to a very vulnerable population. DOH notes that the legislature funded increased DD Waiver provider rates in FY08 by \$2.4 million dollars. DOH believes any new state funding for the DD Waiver should be directed at serving clients and removing individuals

from the DD Waiver waiting list. DOH requested \$2.5 million to increase the number of individuals on the waiver; the Legislative Finance Committee recommendation included \$4 million and the executive did not recommend any expansion funding.

**AMENDMENTS**

DOH suggests the general nature of the scope of SB 268 would allow provider discretion in the use of this rate increase. If the intent is to maintain quality of care through staff recruitment and retention, the following language (beginning on line 22 and ending online 23): “and meet rising programmatic and operational cost of quality care” should be deleted.

GG/mt