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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/08

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Personal Health Care Provider Reimbursement SB 424

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$4,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
		\$9,800.0	Recurring	Federal Medicaid

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 424 appropriates \$4 million from the general fund to the Human Services Department to increase or make more equitable the reimbursement rate for personal care option providers to bring their reimbursement rate more in line with that for other Medicaid providers.

FISCAL IMPLICATIONS

The appropriation of \$4 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

Including the federal match the total available for the personal care providers would be almost \$14 million.

SIGNIFICANT ISSUES

HSD notes that the PCO providers have asked that their rates be increased to the rate paid for Homemaker services under the Disabled and Elderly Waiver program. This rate is currently \$14.60 per hour. The total funding necessary to make such an increase is estimated to be \$17 million requiring \$4.9 million from the general fund.

Medicaid providers received rate increases for fiscal years 2007 and 2008. PCO providers received increases in both of those years, albeit less than that proposed in this bill. In FY07 the PCO providers received a \$1.00 per hour rate increase for Consumer Directed Ongoing Attendant Care raising that rate to \$12.50 per hour. In FY08 PCO providers received a 1% rate increase for Ongoing Attendant Care rates. Additionally, on October 1, 2007, the two tiered rate structure for PCO Consumer Delegated Ongoing Attendant Care services was eliminated in favor of a single rate structure to reduce the administrative burden for PCO providers. This change also resulted in a payment increase

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