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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/12

SPONSOR Hall LAST UPDATED \_\_\_\_\_ HB 172

SHORT TITLE Developmental Disabilities Programs SB \_\_\_\_\_

ANALYST Esquibel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$2,500.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

Department of Health DOH)

Developmental Disabilities Planning Council (DDPC)

### SUMMARY

#### Synopsis of Bill

House Bill 172 appropriates \$2.5 million from the general fund to the Department of Health (DOH) for the State General Fund Developmental Disabilities Program to continue to meet the costs of services and to comply with increased regulations and quality demands.

### FISCAL IMPLICATIONS

The appropriation of \$2.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY13 shall revert to the general fund.

The Human Services Department indicates the bill would not be eligible for the federal matching funds available for the Developmental Disabilities Medicaid Waiver Program given the bill's appropriation is directed toward those individuals not on the Developmental Disability Waiver.

Both the LFC and Executive recommendations include \$7.77 million in their FY13 budget recommendations for the State General Fund Developmental Disabilities Program.

## **SIGNIFICANT ISSUES**

The Department of Health indicates the purpose of the State General Fund Developmental Disabilities Program is to provide a level of service to individuals who are waiting to access the Developmental Disabilities Waiver (DDW) or individuals that do not meet the requirements of the DDW. The program is not intended to provide the same level of services as Medicaid funded DDW services, but rather provide a basic level of service to those individuals who are eligible until waiver services become available. Moreover, there are additional requirements for services funded by the DDW. In addition there is not sufficient funding for these services currently for all or even most of the individuals currently waiting for an allocation to the DD Waiver.

Rates paid for the general fund program historically have been lower than rates paid through Medicaid and this is currently the case. Any rate adjustments made as a result of this bill would need to take comparable Medicaid rate levels into consideration.

The Department of Health has not provided a cost of living increase for these services in over a decade. However, some requirements of providing these state general funded services have increased during that time.

The three basic services funded by the state general fund are respite, day services, and residential services. It should be noted that residential services provide an intermittent supervision/monitoring/skill development model and not 24 hour supervision. Some state general fund residential providers deliver more hours of supervision than required by current standards and assumed in the current monthly unit rate.

The \$2.5 million appropriation in the bill would be a significant (approximately 33%) increase in funding over the current budgeted amount for these services. Fiscal year 2011 dollar amounts and number served in provider agreements by reporting category for state general funded programs were:

- Children Respite Birth to 21 years = \$1,352,693 and 510 served;
- Adult Respite 21+ years = \$192,125 21 and 71 served;
- Adult Day Services = \$3,040,344 for 343.5 slots;
- Adult Residential =\$2,876,319 for 159 slots.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 172 is a duplicate of Senate Bill 236.

RAE/svb