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## FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 2/18/03 HB \_\_\_\_\_

SHORT TITLE: Reduce Developmental Disabilities Wait List SB 361

ANALYST: Dunbar

### APPROPRIATION

| Appropriation Contained |            | Estimated Additional Impact |      | Recurring or Non-Rec | Fund Affected |
|-------------------------|------------|-----------------------------|------|----------------------|---------------|
| FY03                    | FY04       | FY03                        | FY04 |                      |               |
|                         | \$15,000.0 |                             |      | Recurring            | GF            |

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: HB 309

Relates to Appropriation in the General Appropriation Act

### REVENUE

| Estimated Revenue |            | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|------------|-------------------------|----------------------|---------------|
| FY03              | FY04       |                         |                      |               |
|                   | \$45,000.0 |                         | Recurring            | Federal Funds |

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

#### Responses Received From

Department of Health (DOH)  
Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 361 appropriates \$15,000.0 in General Fund to the Department of Health (DOH) to provide services under the Developmental Disabilities Home and Community Based Medicaid Waiver Program (DD Waiver) to persons on the Central Registry currently waiting for services.

#### Significant Issues

The Long Term Services Division's (LTSD) data indicates approximately 2800 persons are waiting for service on the DD Waiver Central Registry. This funding could serve approximately 983 of those individuals. The current average length of wait for services through the DD Waiver is 48 months.

As of November 2002, the Human Services Department reports that there are 2,833 clients enrolled in the Developmentally Disabled Program. The data available from the Human Services Department shows the program's client base has grown continuously from 2,098 in July 2000.

### **FISCAL IMPLICATIONS**

The appropriation of \$15,000.0 contained in this bill is an expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 04 shall revert to the general fund.

This appropriation could be matched with federal funds at a rate of 74.56% (approximately \$45,000,000), to equal \$60,000,000 in additional funding for the DD waiver program.

### **ADMINISTRATIVE IMPLICATIONS**

The Division of Health Improvement (DHI), Incident Management Bureau estimates it would require an additional 7 FTE to maintain current caseloads for investigators and the intake unit. The Division of Health Improvement/Quality Management Bureau estimates it would require an addition of 5 FTE to handle a larger sample size for its current provider program audits and to address a possible increase in the number of providers. The Long Term Services Division would need 6 FTE (especially in the Eligibility Unit) to ensure timely admission to the DD Waiver Program, provide monitoring of individuals services and to provide training and technical assistance to community providers.

The FTE's would help reduce the exposure to the Department with respect to the Lewis lawsuit and other lawsuits brought with regard to federal Medicaid management standards.

### **RELATIONSHIP**

Relates to:

HB 309, which appropriates \$1,610,000 to provide DD Waiver Program services to persons registered on the LTSD Registry.

HB309, which makes a \$3,264,656 appropriation to provide cost of living, increases to providers and to reduce the waiting list.

HJM17 which requests the Human Services Department to apply for a Medicaid waiver to make persons released from State institutions eligible for Medicaid.

SB300, which makes a \$3,163,200 appropriation to provide cost of living, increases to providers and to address rate equity between the State Developmental Disabilities Programs funded with waiver funds versus General Funds.

**OTHER SUBSTANTIVE ISSUES**

DOH reports that historically the capacity of the state's provider system (case management and direct service providers) to grow in response to new funding/individuals in the system has been between 200-400 persons per year. Action to support the proposed level of growth in the system will need to be implemented beginning in FY03 and continuing as service demand increases in FY04. Without aggressive recruitment and training initiatives the health and safety of individuals in the DD Waiver system could be compromised. SB 361 does not include any appropriation to support system development activities. Unused funds, resulting from limited provider capacity cannot be redirected for other uses and will revert.

DOH expresses concern for the potential to compromise the quality not only of legally mandated management standards for bringing new individuals into service, but also the quality of care, because of the effort to bring additional individuals into service. The department indicates that the provider system is currently under strain. Staff turnover rates, while below national levels, are nearly 50 percent. With this level of turnover, ensuring appropriately trained staff is a significant issue. At a maximum caseload of 30 individuals per case manager, the system would need up to 33 new case managers to absorb this level of increase.

**BD/yr**