

Revised to include the agency's fiscal note

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	1,000,000		1,000,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,000,000		1,000,000	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill establishes the Autism Treatment Program Act. The bill requires the Department of Health and Human Services Finance and Support to apply for a waiver or amendment to an existing waiver under Medicaid to provide medical assistance for intensive early intervention services based on behavioral principles for children with a medical diagnosis of an autism spectrum disorder or an educational verification of autism. Waiver services are not an entitlement. The following legislative intent is stated regarding the waiver: 1) requires means testing and cost-sharing, 2) limits services to children who have services initiated prior to the age of nine, 3) limits the number of children served according to the available funding, 4) requires demonstration of progress toward the attainment of treatment goals as a condition for continued receipt of Medicaid coverage, 5) is developed in consultation with the Health and Human Services Committee of the Legislature, the federal Centers for Medicare and Medicaid and input from families and advocacy organizations. The waiver is to be submitted as soon as practicable but not later than July 1, 2008.

This bill as amended transfers an additional \$1 million a year into the Health Care Cash Fund for the Autism Treatment Program Act. The transfer in any fiscal year is contingent upon the receipt of no less than one dollar of private funds for every two dollars transferred from the Health Care Cash Fund. The \$1 million dollars will be used to provide intensive behavioral services to children with autism through the Center for Autism Spectrum Disorders at the University of Nebraska Medical Center; for administration and treatment costs associated with application and implementation of a Medicaid waiver and services provided to children covered by the waiver. These funds would be used for the state's match for the Medicaid autism waiver.

The department will need a program specialist, a half-time billing clerk and one-time costs for computer programming. Administrative costs in FY 08 would be \$125,017 (\$62,509 GF and FF) and \$75,017 (\$37,509 GF and FF) in FY 09.

There will be costs for Medicaid services other than the intensive early intervention services for autism. A person who qualifies for Medicaid is entitled to all services provided by Medicaid. For the children who would qualify for the waiver, they would also be eligible to receive all other Medicaid covered services for children. For example hospitalizations, doctor visits, dental services and prescription drugs would be covered. Medicaid is a payer of last resort, meaning that Medicaid only pays after any other third-party payers such as health insurance. Trying to determine the cost of these other Medicaid services is difficult.

Currently in Nebraska, 221 children with the diagnosis of autism are on Medicaid and either not in an institution or on the developmental disability home and community based waiver. The medical costs for these children average \$516 a month or \$6,192 a year. This figure is close to the department's estimate of \$6,500 a year projected for the population that is expected to qualify for the waiver. The department's estimate takes the mid-point of the average costs for all children eligible for Medicaid (\$3,000 a year) and the costs for children on the developmental disability waiver (\$10,000 a year). If it is assumed the children who are the most likely candidates for the intensive intervention are more like all other children on Medicaid or are more likely to have health insurance coverage, the additional cost would be less. For purposes of this fiscal note, an average of \$300 (\$3,600) a month is assumed. Costs in FY 08 are for 6 months of eligibility. The state costs for other medical services in FY 08 are funded at \$57,600 (24,192 GF and \$33,408 FF). In FY 09 the costs are

projected to be \$146,880 (\$61,690 GF and \$85,190 FF). This assumes 20% of the children who would receive waiver services are currently Medicaid eligible.

The number of children who will be served under the waiver is limited by the appropriations. After subtracting administrative costs and other Medicaid costs, approximately \$913,000 in FY 08 and \$900,000 in FY 09 will be transferred to the University of Nebraska Medical Center. This funding will be used as the state match for the intensive early intervention services. A minimum of \$ 500,000 in private funds must be generated before the Health Care Cash Funds can be accessed. The private funding can be used for the specialized autism treatment services but is not allowable as the match for federal Medicaid funds.