

Revised to update for the 2010 Session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS	See Below			
OTHER FUNDS				
TOTAL FUNDS	See Below			

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

This bill creates a new category of health facility license, children’s day health services. Services provided in such facilities would be covered by Medicaid. The department is directed to establish rules and regulations prior to January 1, 2010, providing for payment under Medicaid to children’s day health services for all necessary and reasonable costs of providing care. For the purposes of this fiscal note, the implementation date is assumed to be January, 2011.

Currently, there are only two facilities in the state that would meet the definition of a children’s day health service. Child care services with a nursing component are covered by a state plan amendment under private duty nursing. The services are reimbursed based on a fee schedule. This bill would base payments on all necessary and reasonable costs of providing the service. There may be increased costs in shifting from a fee schedule to a cost-based reimbursement, as required by the bill. That impact is unknown at this time.

The new licensing category would also require work to be done on establishing the standards and implementing the rules and regulations. A nurse surveyor consultant would be needed initially. The cost would be approximately \$20,000 in FY 11. A program specialist would be needed to initially develop the state plan amendment and work with the Centers for Medicare and Medicaid on implementation. The cost would range from \$10,000 to 19,000 in FY 11.