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FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

This bill establishes exemptions to the limits on the amount, scope and duration of goods and services in the Medicaid Program. The exemptions would be for individuals who have disabilities or other chronic conditions to allow them to live independently. The bill also would provide for an income disregard of 500% of the federal poverty level when assessing premium payments under the Katie Beckett Program and home and community-based waivers.

Savings of $1,065,809 ($426,430 GF and $639,379 FF) in FY 11 have been included in the Governor's budget recommendation for instituting premium payments. The income disregard provision of 500% of poverty would reduce the savings to approximately $300,000 ($120,000 GF and $180,000 FF).

The exemptions to limits on scope, amount and duration would only be made if this allows the person requesting the exemption to maintain living independently or return to living independently. The current savings in the Medicaid budget resulting from limits is $1,052,850 ($421,140 GF and $631,710 FF). It is unknown how many people would meet the exemption and request one. If it was 25% of those to whom the limits apply, the cost would be $263,212 ($105,284 GF and $157,928 FF) annually. At 50% of the population subject to limits on services, the costs would be $526,425 ($210,623 GF and $315,802 FF) annually.

It is unclear if there would be additional impacts. The department's fiscal note shows substantial costs based on the eligible population being those with disabilities and/or chronic conditions. In the analysis contained in this fiscal note, it is assumed, the exemptions would only be granted when the services are needed to maintain the person in an independent living situation or return the person to living independently and would be offset by the institutional costs that would be incurred.

It is unclear what is meant in subsection 3 that ". . . home and community-based waiver services shall be available at the same level or greater level as would be available in any and all institutions covered by the medical assistance program." It is not clear if this is intended to apply to all home and community-based waiver services or just those subject to the premium payments. The federal requirement is that the services are cost-neutral as compared to services provided in an institution. It is unclear if this provision would place one or more home and community-based waivers out of compliance.