

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1580-01  
Bill No.: HB 659  
Subject: Health, Public  
Type: Original  
Date: April 12, 2019

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Bill Summary: This proposal requires the Department of Mental Health and the Department of Social Services to apply for a Medicaid waiver program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue*	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* State matching funds from MOCDD waiver to new waiver up to \$227,902 annually and nets to \$0.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §630.098 - Waiver for individuals institutionalized or at risk of institutionalization

Officials from the **Department of Mental Health (DMH)** state this proposed legislation requires the Department of Social Services and the Department of Mental Health to apply for a waiver from the Centers for Medicare and Medicaid Services (CMS) to provide services for persons who are institutionalized or at risk of institutionalization and who are under eighteen years of age; have a physical disability with a co-occurring developmental disability, as defined in §630.005; and meet the financial eligibility criteria established by the waiver. Services and access to services under the waiver are limited, based on available funding and program capacity.

The addition of the new waiver and appropriately identified waiver services as proposed by this legislation will allow the DMH to utilize the most appropriate federal funding mechanism when delivering services to individuals currently accessing the Missouri Children's Developmental Disabilities (MOCDD) waiver program.

DMH would be moving approximately 50 children from the MOCDD waiver to the new waiver. DMH would also be decreasing slot capacity by the same amount in the MOCDD waiver. This allows DMH to be budget neutral.

DMH assumes no fiscal impact.

Note: If at any point new money would be appropriated to allow for more slots, DMH would note the fiscal impact then. At this time, DMH is not asking for additional slot capacity and has no indication that it would receive any.

**Oversight** notes based on the current budget request submitted by DMH, there are approximately 320 children in the Missouri Children's Developmental Disabilities (MOCDD) Waiver. Based on information from DMH, 50 of this children would be transferred from the MOCDD Waiver to the new waiver if/when it is received. DMH indicated the average cost of waiver services per individual in the MOCDD waiver was \$13,023 for FY 2018 (most recent information available); total \$651,150 [(\$13,023 \* 50); 65% Federal/35% State]. DMH indicated that the costs of the new waiver may be less since selection of the individuals moved from MOCDD to the new waiver will not be made until the new waiver is obtained. Therefore, Oversight will present costs as "Up to \$227,902" General Revenue" and "Up to \$423,248" Federal funds for MOCDD waiver services being transferred to the new waiver, with a net to \$0 for each fund.

ASSUMPTION (continued)

**Oversight** notes that the **Department of Health and Senior Services** and the **Department of Social Services** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>State Matching Funds - DMH (\$630.098)</u>			
New disability waiver for children (New)	Up to \$189,918	Up to \$227,902	Up to \$227,902
<u>State Matching Funds - DMH (\$630.098)</u>			
MOCDD waiver (Current)	<u>(Up to \$189,918)</u>	<u>(Up to \$227,902)</u>	<u>(Up to \$227,902)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - DMH (\$630.098)</u>			
New disability waiver for children reimbursements (New)	Up to \$352,707	Up to \$423,248	Up to \$423,248
<u>Savings - DMH (\$630.098)</u>			
Reduction in MOCDD waiver program costs (Current)	Up to \$352,707	Up to \$423,248	Up to \$423,248
<u>Costs - DMH (\$630.098)</u>			
New disability waiver for children program expenditures (New)	Up to (\$352,707)	Up to (\$423,248)	Up to (\$423,248)
<u>Loss - DMH (\$630.098)</u>			
Reduction in MOCDD waiver reimbursements (Current)	Up to (\$352,707)	Up to (\$423,248)	Up to (\$423,248)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Social Services and the Department of Mental Health to jointly apply for a waiver from the Centers for Medicare and Medicaid services to provide services for persons who: (1) Are institutionalized or at risk of institutionalization; (2) Are under 18 years of age; (3) Have a physical disability with a co-occurring developmental disability; and (4) Meet the financial eligibility criteria established by the waiver.

Services and access to services under the waiver are limited and based on available funding and program capacity.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services  
Department of Mental Health  
Department of Social Services



Kyle Rieman  
Director  
April 12, 2019

Ross Strobe  
Assistant Director  
April 12, 2019