

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4301-01
Bill No.: HB 1772
Subject: Health, Public; Department of Social Services; Department of Mental Health;
 Medicaid/MO HealthNet
Type: Original
Date: January 21, 2020

Bill Summary: This proposal adds provisions relating to Medicaid waivers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

* State matching funds from MOCDD waiver to new waiver up to \$216,177 annually and nets to \$0.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income, savings, costs and losses for transfers between waivers nets to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§630.098 - Waiver for children under 18 at risk of institutionalization

Officials from the **Department of Mental Health (DMH)** state this proposed legislation requires the Department of Social Services (DSS) and DMH to apply for a waiver from the Centers for Medicare and Medicaid Services 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 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 Missouri Children's Developmental Disabilities waiver to the new waiver. DMH would also be decreasing slot capacity by the same amount in the Missouri Children's Developmental Disabilities 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 any would be received.

Oversight notes based on the current budget request submitted by DMH, there were approximately 339 children served in the Missouri Children's Developmental Disabilities (MOCDD) Waiver in FY 19. Based on information from DMH, 50 of these 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 \$12,353 for FY 2019 (most recent information available); total \$617,650 [(\$12,353 * 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 \$216,177" General Revenue and "Up to \$401,473" Federal funds for MOCDD waiver services being transferred to the new waiver, with a net to \$0 for each fund.

ASSUMPTION (continued)

Oversight notes 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 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>State Matching Funds - DMH (§630.098)</u>			
New disability waiver for children (New)	Up to \$180,148	Up to \$216,177	Up to \$216,177
<u>State Matching Funds - DMH (§630.098)</u>			
MOCDD waiver (Current)	<u>Up to</u> <u>(\$180,148)</u>	<u>Up to</u> <u>(\$216,177)</u>	<u>Up to</u> <u>(\$216,177)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Income - DMH (§630.098)</u>			
New disability waiver for children reimbursements (New)	Up to \$334,561	Up to \$401,473	Up to \$401,473
<u>Savings - DMH (§630.098)</u>			
Reduction in MOCDD waiver program costs (Current)	Up to \$334,561	Up to \$401,473	Up to \$401,473
<u>Costs - DMH (§630.098)</u>			
New disability waiver for children program expenditures (New)	Up to (\$334,561)	Up to (\$401,473)	Up to (\$401,473)
<u>Loss - DMH (§630.098)</u>			
Reduction in MOCDD waiver reimbursements (Current)	<u>Up to</u> <u>(\$334,561)</u>	<u>Up to</u> <u>(\$401,473)</u>	<u>Up to</u> <u>(\$401,473)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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.

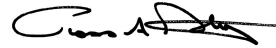
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Mental Health
Department of Social Services

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January 21, 2020



Ross Strope
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January 21, 2020