

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5131-03  
Bill No.: HCS for HB 1873  
Subject: Health Care; Health Department  
Type: Original  
Date: March 31, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue*	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Greater than \$100,000)</b>	<b>(Greater than \$100,000)</b>	<b>(Greater than \$100,000)</b>

\*Subject to appropriations.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<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 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. SOS is provided with core funding to handle a certain amount of normal activity resulting from each years legislative session. The fiscal impact for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state this proposal would not fiscally impact the DMS since it is for non-Medicaid eligibles.

Officials from the **Department of Mental Health (DMH)** state this consumer directed personal care program at Department of Health and Senior Services could affect DMH consumers, making them eligible for personal care services. However, the consumer would be responsible for

ASSUMPTION (continued)

receiving services through the DOH and any premium payments paid by these new personal care eligibles would be paid by consumer funds. DMH states it would not be part of the coordination or administering of such services. Therefore, this proposal does not have a fiscal impact for DMH.

Officials from the **Department of Health and Senior Services (DOH)** assume the number of consumers who will be eligible based upon the new criteria is unknown.

DOH states the authority for the consumer-directed personal care assistance services program was transferred from the Department of Elementary and Secondary Education, Division of Vocational Rehabilitation to the Department of Health and Senior Services by executive order in 2005. SB 74 & 49 (2005) modified the requirements of the program to incorporate criteria that individuals demonstrate financial need based on adjusted gross income and the assets of the person seeking financial assistance and such person's spouse. The income eligibility criteria was adjusted gross income less disability-related medical expenses that was equal to or less than 300% of the federal poverty level. The asset eligibility criteria was less than \$250,000.

When the program transferred effective August 28, 2005, there were 119 consumers. There are currently 94 consumers eligible for the program; however, 8 of those have received terminations notices but appeal processes are still pending. As of February 28, 2006, 151 consumers have requested consumer-directed services but were not Medicaid eligible. According to census data, there are approximately 471,650 physically disabled individuals over the age of 18. The census data does not break this data out by income levels; therefore, DOH is unable to determine what percentage of these 471,650 individuals would qualify for the program. This legislation would open participation in consumer-directed personal care assistance services program to any individual meeting criteria, subject to appropriations.

DOH would need 1 FTE (Social Service Worker II) per every 100 consumers enrolled in the program to do level of care determinations, service plan development and case management functions. DOH would need 1 FTE (Health Program Representative I) per every 100 consumers to do income eligibility determinations and premium collection.

Currently the program specific funds appropriated to pay for personal care assistance services for the existing 94 clients is \$2.3M. DOH would need an additional \$2.3M for every 100 consumers participating in the program. DOH assumes the number of individuals served by this program would be limited by the amount of funding authorized through the appropriation process.

ASSUMPTION (continued)

Since it is unknown how many additional people will be added to the personal care program, **Oversight** assumes the costs are unknown and would exceed \$100,000. Oversight assumes the costs will exceed the premiums that will be received.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
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**GENERAL REVENUE**

Costs - Department of Health and Senior Services

Program costs*	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE*</b>	<b><u>(GREATER THAN \$100,000)</u></b>	<b><u>(GREATER THAN \$100,000)</u></b>	<b><u>(GREATER THAN \$100,000)</u></b>
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\*Subject to appropriations

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal changes the requirements for financial assistance for personal care services. The proposal:

(1) States financial need shall be based on the adjusted gross income of the person seeking financial assistance and such person's spouse;

DESCRIPTION (continued)

(2) States in order to demonstrate financial need, a person seeking financial assistance shall have an adjusted gross income, less disability-related, medical, and reasonable living expenses, as approved by the department, that is equal to or less than three hundred percent of the federal poverty level and, if married, shall not have a combined adjusted gross income of more than one hundred twenty-five thousand dollars;

(3) Sets forth documentation required for assets and income; and

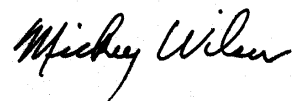
(4) Stipulates that each consumer who participates in the program is responsible for a monthly premium between zero and 5% of his or her income as specified in the bill.

The proposal contains an emergency clause.

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



Mickey Wilson, CPA  
Director  
March 31, 2006