

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1482-06
Bill No.: SCS for HCS for HB 727
Subject: Disabilities; Education, Elementary and Secondary; Agriculture and Animals;
Employees - Employers; Mental Health Department; Social Services Department;
Health Department; Employment Security
Type: Original
Date: May 16, 2013

Bill Summary: This proposal changes the laws regarding services for individuals with disabilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$59,667,267) to (\$60,211,357)	(Unknown, greater than \$6,951,296)	(Unknown, greater than \$7,258,079)
Total Estimated Net Effect on General Revenue Fund	(\$59,667,267) to (\$60,211,357)	(Unknown, greater than \$6,951,296)	(Unknown, greater than \$7,258,079)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Other State	(\$3,865,937)	(\$5,422,890)	(\$5,666,921)
MO Senior Services Protection	Unknown	\$0	\$0
Brain Injury	Under \$100,000	Under \$100,000	Under \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	(\$3,865,937) to Unknown	Less than (\$5,422,890)	Less than (\$5,666,921)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 18 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	0.5	0.5	0.5
Federal	0.5	0.5	0.5
Total Estimated Net Effect on FTE	1	1	1

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, unless otherwise specified, **Oversight** used agencies' responses from the Perfected version of this proposal.

§ 161.870 - Work group to assess available resources:

Officials from the **Department of Elementary and Secondary Education (DESE)** assume in order to meet the requirements of the proposal, a number of group meetings must occur. Group members would include existing personnel and human resources available to DESE. In addition, group members would include representatives from state agencies, local advocacy groups and community members with valuable input regarding the needs of disabled students and individuals, or members of the general assembly.

There is a currently established stakeholder group called the MO Interagency Transition Team (MITT). If MITT could be utilized as the workgroup for this proposal, the fiscal impact would be minimal.

DESE notes that most existing personnel and human resources available to DESE with valuable input regarding the needs of disabled students and individuals are federally funded people who are prohibited by federal law from implementing state objectives.

There would likely be one or more surveys for which questions must be developed and results must be analyzed. Additional costs would be incurred to write and edit the report. All of this must be completed by January 1, 2014 for a proposal that would presumably go into effect on August 28, 2013. These time constraints would leave approximately four months to carry out the requirements of the proposal.

Oversight notes the proposal states the work group shall include existing personnel and human resources available to DESE. The project appears to be short term. Oversight assumes the work group duties can be accomplished with existing resources.

ASSUMPTION (continued)

§ 208.146 - Extension of Ticket-to-Work Program sunset:

In response to a similar proposal from this year (HB 985), officials from the **Department of Mental Health (DMH)** stated the proposed legislation extends the sunset date for the Ticket-to-Work Health Assurance Program to August 28, 2019. The previous expiration date was August 28, 2013. Based on data acquired from the Department of Social Services (DSS) Monthly Management Report (Table 23), the February, 2013 monthly cost for DMH services was approximately \$1,092,000 for approximately 436 clients. This data, annualized, results in a yearly total cost of approximately \$13,100,000. Of this, approximately \$8,100,000 would be federal cost and approximately \$5,000,000 would be state cost. Based on the current expiration date of August 28, 2013, FY14 would reflect 10 months of costs.

These costs would be DMH costs. DMH assumes that these costs are not included in the DSS estimate of costs.

In response to a similar proposal from this year (HB 985), officials from the **Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)** stated this proposal merely extends an existing program. As such, there is no new cost.

Oversight assumes extending the Ticket to Work Program, rather than letting it sunset on August 28, 2013, will result in costs to the state. Funds that would have become available for other uses will, instead, be obligated to fund the program.

In response to HB 700 from the current session, DSS officials indicated a repeal of the Ticket to Work Program would result in savings to General Revenue (GR), Federal and Other State Funds of \$21,537,082 for the 10 months remaining in FY 14; savings for FY 15 were estimated to be \$30,210,844; and savings for FY 16 were estimated to be \$31,570,333. Oversight assumes the amount DSS assumed would be saved had the program been repealed is equal to the cost of extending the program. Therefore, Oversight will present costs to GR, Federal and Other Funds of \$21,537,082 for the 10 months remaining in FY 14; FY 15 costs of \$30,210,844; and FY 16 costs of \$31,570,333.

Per discussion with DSS officials, DMH Ticket to Work costs have been included in DSS figures. For fiscal note purposes, Oversight will only present DSS costs.

ASSUMPTION (continued)

§ 208.152.1(20) - Comprehensive Day Rehabilitation Program:

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this section of the legislation expands the Comprehensive Day Rehabilitation program to all adult participants. The services must be based on an individualized, goal-oriented, comprehensive and coordinated treatment plan. The MHD shall establish the definition and criteria for designation of a comprehensive day rehabilitation service facility, the benefit limitations and the payment mechanism utilizing the expertise of brain injury rehabilitation service providers and the Missouri Head Injury Advisory Council. The services must be provided in a community based facility and be authorized on tier levels based on the services the patient requires and the frequency of the services as guided by a qualified rehabilitation professional associated with a health care home.

In FY 10 there was one individual under the age of 21 with claims filed under this program and that individual had no Comprehensive Day Rehabilitation claims in FY 11. Therefore, to project costs if this program was expanded, the number of participants using the program in FY 05 (when the program was available to all adults) and their costs were obtained. There were 89 adults in a category of assistance other than a category that is currently eligible for the program (under age 21, blind individuals, pregnant women or nursing home residents) who received services through the Comprehensive Day Rehabilitation program. The fee-for-service cost for their services in FY 05 was \$526,728. It is assumed that about the same number of individuals would use the program if it were expanded. Therefore, the SFY 05 cost was used as the base for estimating future costs. The rates for this program have not changed since 2005 so no inflation was applied to the costs from FY 05 to FY 13. A 3.9% inflation factor was applied to FY 14 through FY 16.

The annual cost to the fee-for-service program will be \$547,270.

In addition, the MHD contracts with managed care health plans to provide medical assistance to individuals eligible under Section 208.151. The MHD assumes this legislation will apply to the managed care health plans. The total annual amount deducted from payments to the managed care health plans in FY 06 (first year reductions were implemented) due to the reduction of eligibility for this service was \$10,125. Therefore, this figure was used as a base to estimate the cost to add this service back into the services offered to all adults. No inflation was added from FY 05 to FY 13. A 3.9% inflation factor was added to FY 14 through FY 16.

The annual cost to the managed care program will be a program cost of \$10,520 and an estimated actuarial cost to further evaluate this program change, which would be no more than \$25,000 (50% GR/50% Federal).

ASSUMPTION (continued)

The annual cost to MHD in the first full year will be \$582,790 (\$547,270 + \$10,520 + \$25,000). To calculate the FY 14 cost, it is assumed that there would only be 10 months of the total program cost of \$557,790 (\$547,270 + \$10,520) and the full \$25,000 actuarial cost. Therefore, the cost for FY14 will be \$489,825 $[(\$557,790/12 \times 10 = \$464,825) + \$25,000]$.

Since this section of the proposal is subject to appropriations, the range would be zero to:

FY14 (10 months): Total \$489,825 (GR \$189,761; \$300,064 Federal);
FY15 (12 months): Total \$579,544 (GR \$221,009; \$358,535 Federal); and,
FY16 (12 months): Total \$602,146 (GR \$229,628; \$372,518 Federal).

Oversight assumes, for fiscal note purposes only, this proposal will be appropriated the necessary funding and has reflected the costs without the “\$0 to” range.

§ 208.152.1(24) - Hearing Aids:

Officials from the **DSS - MHD** state currently hearing aids and related covered services are offered to MO HealthNet participants who receive a full benefit package under a category of assistance for children, pregnant women, the blind or nursing facility residents. Covered services include audiological testing, hearing aids, ear molds, hearing aid fitting, hearing aid dispensing/evaluation, post-fitting evaluation, post-fitting adjustments, and hearing aid repairs. All hearing aids and related services must have prior approval except audiometric testing, post-fitting evaluation, post-fitting adjustment, and repairs to hearing aids no longer under warranty. The current prior approval process is paper-based and not electronic.

There would be a cost to the MHD to provide these services to participants who do not receive a full benefit package. Costs were obtained for fee-for-service participants who received hearing aids and related services in FY 05 and who would be in a limited benefit category now. Since there have been no rate increases for these services since FY 05, no inflation was applied for years FY 05 through FY 13. Costs were inflated by 3.9% from FY 14 through FY 16.

Costs for fee-for-service participants:

FY14 (10mths): Total \$1,222,977 (\$466,382 GR; \$756,595 Federal);
FY15: Total \$1,524,807 (\$581,485 GR; \$943,322); and,
FY16: Total \$1,584,274 (\$604,163 GR; \$980,111).

The MHD assumes this legislation will apply to MO HealthNet Managed Care health plans. The estimated annual fiscal impact for adults enrolled in managed care would be \$47,856. In

ASSUMPTION (continued)

addition, there would be a first year cost for an actuarial study to determine the impact of this requirement on rate ranges to ensure actuarial soundness as required by the Centers for Medicare and Medicaid Services. The cost of the analysis will depend on the complexity of the analysis needed to address this program change. The cost of the study could be up to \$25,000 (\$12,500 GR; \$12,500 Federal). Total FY 14 managed care cost would be unknown < \$64,880 (\$47,856 / 12 months * 10 months + \$25,000). Managed care costs were inflated by 3.9%.

Cost for MO HealthNet Managed Care:

FY14 (10mths): Unknown < \$64,880 (unknown < \$27,708 GR; Unknown <\$37,172 Federal);
FY15: \$49,723 (\$18,962 GR; \$30,761 Federal); and,
FY16: \$51,662 (\$19,701 GR; \$31,961 Federal).

In addition, this section of the proposal requires that a web-based prior authorization system is used to verify medical need. The hearing aid program currently uses a paper-based prior authorization system. MHD uses a web-based prior authorization system for other services but does not have the system prepared to accommodate the hearing aid program. Algorithms will need to be developed for the hearing aid program and that cost will occur only one time in the first year of the fiscal note. The cost is unknown but is anticipated to be under \$100,000.

Cost for Web-based PA System:

FY14: Unknown < \$100,000 (Unknown < \$50,000 GR; Unknown < \$50,000 Federal);
FY15: \$0; and,
FY16: \$0.

Total Cost of the proposal for section 208.152.1(24):

Since this section of the proposal is subject to appropriations, the range would be zero to:

FY14: (10 months): Total \$1,387,857 (GR < \$544,090; < \$843,767 Federal);
FY15: Total \$1,574,530 (GR \$600,447; \$974,083 Federal);
FY16: Total \$1,635,936 (GR \$623,864; \$1,012,072 Federal).

Oversight assumes, for fiscal note purposes only, this proposal will be appropriated the necessary funding and has reflected the costs without the “\$0 to” range.

ASSUMPTION (continued)

§ 208.1050 - Missouri Senior Services Protection Fund:

Oversight notes the provisions of this proposal add section 208.1050 which provides for the creation of the Missouri Senior Services Protection Fund, a dedicated fund, within the state treasury. The State Treasurer is to be the custodian of the fund and may approve disbursements. In addition, the State Treasurer is to deposit funds that would have otherwise been deposited into the General Revenue (GR) Fund in an amount totaling \$55,100,000. One quarter of the amount is to be deposited on or before July 15, 2013, October 15, 2013, January 15, 2013 and March 15, 2013. Moneys in the fund are to be allocated for services for low-income seniors and people with disabilities. Moneys remaining in the fund at the end of the biennium do not revert to GR and any interest earned shall be credited to the fund.

§ 209.202 - Interfering with a service animal:

In response to the previous version of this proposal, officials from the **Office of State Public Defender** stated that for the purpose of this proposed legislation, the SPD cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of interfering with a service animal, a new class A misdemeanor, or intentionally injures or kills or permits an animal to kill or injure a service animal, a new class D felony.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** state the penalty provisions, the component of the bill to have a potential fiscal impact for DOC, is for a class D felony. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Prolongation (FY 12 average of \$4.96 per offender, per day, or an annual cost of \$1,810 per offender).

ASSUMPTION (continued)

The DOC assumes that because the narrow scope of the crime will not encompass a large number of offenders, the low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence, and the probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another, the proposal will have a minimal fiscal impact on the DOC.

Therefore, the DOC assumes supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

§ 301.143 - Parking Lot Restriping:

Officials from the **Department of Elementary and Secondary Education (DESE)** state school districts may incur additional costs to restripe parking lots in accordance with the terms of this section. DESE deters to schools regarding the extent of any costs.

Oversight assumes the potential costs to school districts to restripe their parking lots in accordance with the provisions of this section will be minimal and absorbable within current funding levels.

§ 304.028 - Brain Injury Fund:

Officials from the **Department of Health and Senior Services (DHSS)** state Section 304.028.2 proposes that upon granting of a federal waiver, forty percent of all moneys in the Brain Injury Fund (BIF) will be used as match for the waiver. Section 304.028.5 imposes a two dollar surcharge on municipal ordinance violation of criminal or traffic laws to be deposited in the BIF. It is unknown how much will be received as a result of the surcharge on municipal ordinance violation of criminal or traffic laws, but DHSS assumes the amount will be less than \$500,000.

Assumptions and Methodology in calculating fiscal impact:

Based on the average of past year collections into the BIF, it is assumed that \$750,000 per year is collected into the BIF. This combined with the estimated additional revenue of “unknown, but less than \$500,000”, the total collected into the BIF would be “unknown, but less than \$1,250,000 annually”. Assuming that \$1,250,000 is collected each year:

- Forty percent (\$500,000) will go to the newly created waiver; and
- Sixty percent (\$750,000) would remain for current program funding.

ASSUMPTION (continued)

BIF money is currently appropriated to DHSS and used in total for services provided through the Adult Brain Injury (ABI) Program. The services provided through a waiver will not replace the need for services provided through the ABI Program. The waiver can only provide services to those meeting MO HealthNet eligibility and institutional level of care (per federal regulations). The services provided through the ABI Program are provided to those who may or may not meet MO HealthNet eligibility, but whose income is at or below 185 percent of the federal poverty level. The services provided through the ABI Program are community based rehabilitation services that focus on independent living, community integration and vocational supports. The ABI Program does not provide medical rehabilitation or in-home personal care support services. The majority of participants receiving services through the ABI Program would not meet institutional level of care requirements. Therefore, it is assumed that the funds lost to the ABI Program would need to be replaced from general revenue to continue services at the current level. The need for general revenue support would depend on the level of revenues received through the new surcharge on municipal violations. At least \$500,000 in revenues from the new surcharge would be needed to continue the ABI Program at current levels.

Writing and seeking approval for a federal waiver would be accomplished in FY 14; and, as a result, services through the waiver would not begin until FY 15. The waiver is estimated to draw approximately 60% match of federal funds. Waivers by design have capped slots based on total funding available. Depending on the size of the waiver, DHSS may need unknown additional staff to administer it. Administrative costs draw a 50 percent federal match. The cost to general revenue and the federal match are unknown. Federal revenues will be equal with federal costs, resulting in a net of zero.

Oversight notes that in response to similar legislation containing the provisions regarding adding a \$2 surcharge for municipal violations (HB 623), officials from the **Office of the State Courts Administrator (CTS)** provided that the proposal would add approximately 18,615 municipal cases and anticipated the surcharge would result in a positive fiscal impact of \$0 to \$100,000 in any given year.

Oversight will utilize the CTS's estimate of under \$100,000 in revenue to the BIF annually for fiscal note purposes. As a result, it is assumed the maximum funding in the BIF will be \$850,000 annually (\$750,000 average funding + \$100,000 municipal violation surcharge). If a waiver is obtained requiring 40 percent of the funds in the BIF to be used as a match to obtain federal funds, \$340,000 will be used as matching funds for MO HealthNet eligibles and \$510,000 will remain in the BIF to provide services for the treatment of individuals not eligible for MO HealthNet services.

ASSUMPTION (continued)

Oversight assumes since the DSS-MHD indicates that much of the waiver-related work will be performed by their organization, the DHSS will not need to hire additional staff to administer the waiver and can absorb the additional duties with existing staff.

Officials from the **DSS - MHD** state this section of the proposal will create a new waiver. Each waiver generates the same amount of oversight requirements, which would require one full-time FTE for MHD, at the Program Development Specialist level. The activities this staff will have includes development of the waiver application, submission to the Centers for Medicare and Medicaid Services (CMS) of all applications, renewals and amendments to the waiver, tracking of data for all performance measures outlined in the waiver and ensuring DHSS is identifying problems and conducting proper remediation, quarterly quality assurance meetings, quarterly waiver record reviews, annual reporting of expenditures to CMS and compilation of evidence after the first 18 months of the waiver to show compliance with HCBS assurances. Because the staff at DHSS who manage the Head Injury fund are not familiar with the waiver process, much of the work will fall on the MHD.

MHD assumes the cost for this FTE as follows:

FY 14 (10 months): \$60,554 (\$30,277 GR; \$30,277 Federal);
FY 15: \$63,649 (\$31,824 GR; \$31,825 Federal); and,
FY 16: \$64,321 (\$32,160 GR; \$32,161 Federal).

Bill as a Whole:

Officials from the **Office of 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 act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized 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 the office can sustain within its core budget. Therefore, the 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 **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

HWC:LR:OD

ASSUMPTION (continued)

Officials from the **Department of Agriculture**, the **Office of Administration - Division of Purchasing and Materials Management**, the **Office of State Courts Administrator**, the **Department of Economic Development - Division of Workforce Development**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety - Missouri State Highway Patrol**, and the **Office of State Treasurer** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Prosecution Services** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Costs - DSS</u>			
Extension of the ticket to work program (§ 208.146)	(\$4,347,229)	(\$6,098,015)	(\$6,372,426)
<u>Costs - DSS-MHD</u>			
Comprehensive day rehabilitation services (§ 208.152.1(20))	(\$189,761)	(\$221,009)	(\$229,628)
Hearing aids (§ 208.152.1(24))	<u>(Less than \$544,090)</u>	<u>(\$600,447)</u>	<u>(\$623,864)</u>
<u>Total Costs - DSS-MHD</u>	<u>(Less than \$733,851)</u>	<u>(\$821,456)</u>	<u>(\$853,492)</u>
<u>Transfer-Out - to Missouri Senior Services Protection Fund (208.1050)</u>	(\$55,100,000)	\$0	\$0
<u>Costs - DHSS (§ 304.028)</u>			
Waiver services	\$0	(Unknown)	(Unknown)
<u>Costs - DSS-MHD (§ 304.028)</u>			
Personal service	(\$16,450)	(\$19,938)	(\$20,138)
Fringe benefits	(\$8,346)	(\$10,116)	(\$10,217)
Equipment and expense	<u>(\$5,481)</u>	<u>(\$1,771)</u>	<u>(\$1,806)</u>
<u>Total Costs - DSS-MHD</u>	<u>(\$30,277)</u>	<u>(\$31,825)</u>	<u>(\$32,161)</u>
FTE Change - DSS	0.5 FTE	0.5 FTE	0.5 FTE
	<u>(\$59,667,267)</u>	<u>(Unknown,</u>	<u>(Unknown,</u>
ESTIMATED NET EFFECT ON THE	to	greater than	greater than
GENERAL REVENUE FUND	<u>(\$60,211,357)</u>	<u>\$6,951,296)</u>	<u>\$7,258,079)</u>
Estimated Net FTE Change on the General Revenue Fund	0.5 FTE	0.5 FTE	0.5 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2014 (10 Mo.)	FY 2015	FY 2016
--------------------------------------------------------	---------------------	---------	---------

OTHER STATE FUNDS

<u>Costs - DSS</u> Ticket to work program (§ 208.146)	<u>(\$3,865,937)</u>	<u>(\$5,422,890)</u>	<u>(\$5,666,921)</u>
----------------------------------------------------------	----------------------	----------------------	----------------------

ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>(\$3,865,937)</u>	<u>(\$5,422,890)</u>	<u>(\$5,666,921)</u>
------------------------------------------------------	-----------------------------	-----------------------------	-----------------------------

**MISSOURI SENIOR SERVICES
PROTECTION FUND**

<u>Transfer - In</u> - from General Revenue Fund (208.1050)	\$55,100,000	\$0	\$0
----------------------------------------------------------------	--------------	-----	-----

<u>Income - STO</u> Interest income	Unknown	\$0	\$0
----------------------------------------	---------	-----	-----

<u>Costs - STO</u> Low income and disabled persons service expenditures	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
-------------------------------------------------------------------------------	------------------	------------	------------

ESTIMATED NET EFFECT ON THE MISSOURI SENIOR SERVICES PROTECTION FUND	<u>Unknown</u>	<u>\$0</u>	<u>\$0</u>
-------------------------------------------------------------------------------------	-----------------------	-------------------	-------------------

BRAIN INJURY FUND

<u>Income - DHSS</u> Municipal ordinance violation \$2 surcharge fees (§ 304.028)	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
-----------------------------------------------------------------------------------------	--------------------------------	--------------------------------	--------------------------------

ESTIMATED NET EFFECT ON BRAIN INJURY FUND	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
------------------------------------------------------	---------------------------------------	---------------------------------------	---------------------------------------

HWC:LR:OD

FEDERAL FUNDS

Income - DSS

Program reimbursements (208.146)	\$13,323,916	\$18,689,939	\$19,530,986
----------------------------------	--------------	--------------	--------------

Income - DSS-MHD

Comprehensive day rehabilitation services reimbursement	\$300,064	\$358,535	\$372,518
---------------------------------------------------------	-----------	-----------	-----------

(§ 208.152.1(20))

Hearing aid services reimbursement	Less than		
(§ 208.152.1(24))	\$843,767	\$974,083	\$1,012,072

Program reimbursements (§ 304.028)	<u>\$30,277</u>	<u>\$31,825</u>	<u>\$32,161</u>
------------------------------------	-----------------	-----------------	-----------------

Total Income - DSS-MHD

Less than			
\$1,174,108	\$1,364,443	\$1,416,751	

Income - DHSS

Brain Injury Waiver reimbursements	\$0	Unknown	Unknown
------------------------------------	-----	---------	---------

Costs - DSS

Ticket to work program expenditures (208.146)	(\$13,323,916)	(\$18,689,939)	(\$19,530,986)
-----------------------------------------------	----------------	----------------	----------------

Costs - DSS-MHD

Comprehensive day rehabilitation services expenditures (§ 208.152.1(20))	(\$300,064)	(\$358,535)	(\$372,518)
--------------------------------------------------------------------------	-------------	-------------	-------------

Hearing aid services expenditures	<u>(Less than</u>	<u>(\$974,083)</u>	<u>(\$1,012,072)</u>
(§ 208.152.1(24))	<u>\$843,767)</u>		

Total Costs - DSS-MHD

(Less than			
\$1,143,831)	(\$1,332,618)	(\$1,384,590)	

Costs - DSS-MHD (§ 304.028)

Personal service	(\$16,450)	(\$19,938)	(\$20,138)
------------------	------------	------------	------------

Fringe benefits	(\$8,346)	(\$10,116)	(\$10,217)
-----------------	-----------	------------	------------

Equipment and expense	<u>(\$5,481)</u>	<u>(\$1,771)</u>	<u>(\$1,806)</u>
-----------------------	------------------	------------------	------------------

<u>Total Costs - DSS-MHD</u>	<u>(\$30,277)</u>	<u>(\$31,825)</u>	<u>(\$32,161)</u>
------------------------------	-------------------	-------------------	-------------------

FTE Change - DSS	0.5 FTE	0.5 FTE	0.5 FTE
------------------	---------	---------	---------

FEDERAL FUNDS (continued)

Costs - DHSS (§ 304.028)

Brain Injury Waiver expenditures	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
----------------------------------	------------	------------------	------------------

**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

Estimated Net FTE Change on Federal
Funds

0.5 FTE	0.5 FTE	0.5 FTE
---------	---------	---------

FISCAL IMPACT - Local Government

FY 2014 (10 Mo.)	FY 2015	FY 2016
---------------------	---------	---------

<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

§ 208.146 - Extension of Ticket to Work:

This proposal extends the provisions regarding the Ticket to Work Health Assurance Program from August 28, 2013, to August 28, 2019.

§ 208.152.1(20) - Comprehensive Day Rehabilitation:

Subject to appropriations, the proposal adds comprehensive day rehabilitation services beginning soon after trauma as part of a coordinated system of care for individuals with disabling impairments to the list of services covered under MO HealthNet benefits. Services must be provided in a community-based facility and be authorized on tier levels based on the services and frequency of services the patient requires as guided by a qualified rehabilitation professional associated with a health care home.

FISCAL DESCRIPTION (continued)

§ 208.152.1(24) - Hearing Aids:

Prescribed, medically necessary hearing aids are added to the list of covered services under the MO HealthNet Program. An electronic web-based prior authorization system using best medical evidence and care and treatment guidelines consistent with national standards must be used to verify medical need.

§ 208.1050 - Missouri Senior Services Protection Fund:

This proposal creates the Missouri Senior Services Protection Fund within the state treasury. The State Treasurer is to be custodian of the fund and may approve disbursements. In addition, the State Treasurer is to deposit into the fund \$55,100,000 with at least one quarter of that amount to be deposited on or before July 15, 2013 and an additional one-quarter of the amount to be deposited on or by October 15, 2013, January 15, 2014 and March 15, 2014. Moneys in the fund are to be allocated for services for low-income seniors and people with disabilities.

§ 304.028 - Brain Injury Services:

The proposal adds consumer-based consumer services in comprehensive brain injury day rehabilitation therapy, vocational, home, and community support to the list of services that the Department of Health and Senior Services must expend funds from the Brain Injury Fund to individuals with brain injury. The Department of Health and Human Services, in cooperation with the Department of Social Services, must seek a federal waiver from the federal Department of Health and Human Services to allow moneys in the fund to be used for brain injury services under the MO HealthNet Program. Upon the granting of a waiver, 40% of all moneys in the fund must be designated as MO HealthNet federal match moneys. Any approved federal waiver must be designed so that parity is established in funding for each eligible program service area to create a balance for access to all brain injury services. The proposal provides for a \$2 surcharge to be assessed on violations of any county ordinance or any violation of state criminal or traffic laws, which is deposited into the Brain Injury Fund.

This proposal has an emergency clause regarding the enactment of Sections 208.1050 and 301.143.

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 Agriculture
Office of Administration -
 Division of Purchasing and Materials Management
Office of State Courts Administrator
Department of Economic Development -
 Division of Workforce Development
Department of Elementary and Secondary Education
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Social Services -
 MO HealthNet Division
Department of Public Safety -
 Missouri State Highway Patrol
Joint Committee on Administrative Rules
Office of Secretary of State
Office of State Public Defender

SOURCES OF INFORMATION (Continued)

Office of State Treasurer

Not Responding:

Office of Prosecution Services



Ross Strope
Acting Director
May 16, 2013