

### Fiscal Estimate - 2009 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>09-1173/1</b>	<b>Introduction Number</b> <b>SB-096</b>	
<b>Description</b> Diversions under a community integration program of Medical Assistance-eligible persons from imminent entry into nursing homes		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues  <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
<b>Local:</b>		
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory  5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DHS 3/23/2009

LRB Number	09-1173/1	Introduction Number	SB-096	Estimate Type	Original
<b>Description</b> Diversion under a community integration program of Medical Assistance-eligible persons from imminent entry into nursing homes					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Health Services must seek Joint Finance Committee (JFC) approval if the number of people diverted from imminent entry into a nursing home through the community integration program (CIP II) exceeds 150. SB 96 removes this requirement. It is unlikely that the removal of the required approval would increase expenditures for the State. Based on the SFY 2008 Report on Relocations and Diversion from Institutions submitted to the Joint Finance Committee in December 2008, the average daily cost of an individual served under the nursing home diversion program in FY 2008 was \$77.15 compared to a projected daily cost of \$123.49 if these individuals had entered a nursing home. As the number of additional diversions that may occur as a result of this bill is unknown, the fiscal impact of this change is indeterminate.

A number of factors exist to limit the number and cost of additional diversions.

- The Department would be required to remain within its biennial budget for Medicaid expenditures when determining the number of additional diversions paid at the enhanced rate.
- While CIP II authorized the Department to pay an enhanced Medicaid rate to counties for persons diverted, the Department has the ability to adjust this enhanced rate to control expenditures.
- The bill retains the language in s. 46.277 (5) (g) that limits the number of diversions by prohibiting the total number of persons relocated from a nursing home or diverted from imminent entry from exceeding the number of delicensed nursing home beds.
- Under federal waiver requirements, the Department must demonstrate the cost effectiveness of waiver programs by demonstrating that the average waiver cost for all CIP II participants does not exceed the average projected cost of serving waiver participants in a nursing home.
- As counties transition from waiver programs to Family Care, the number of individuals who will be eligible for diversion under CIP II will decrease. Based on the Family Care expansion schedule in the Governor's 2009-2011 Biennial Budget, Family Care managed care organizations will be operating in 59 counties, covering 90% of the state's population, by the end of the biennium. Individuals in these counties will be eligible to relocate to the community through Family Care.

Counties will face no fiscal impact as diversions are fully funded by the State. In addition, counties volunteer for diversion slots, therefore the bill does not mandate a change for counties.

### Long-Range Fiscal Implications