

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5049-02
Bill No.: HB 2161
Subject: Division of Family Services: Elderly
Type: Original
Date: April 2, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$125,571 to \$285,571)	(\$147,943 to \$347,623)	(\$145,092 to \$352,759)
Total Estimated Net Effect on <u>All</u> State Funds	(\$125,571 to \$285,571)	(\$147,943 to \$347,623)	(\$145,092 to \$352,759)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

*Possible costs and/or savings net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Health and Senior Services** stated that they would not expect enough new clients needing case management due to this proposal to require additional resources.

Department of Social Services' Division of Family Services reported that 180 supplemental nursing care cases were rejected due to income or resources, in FY 2001. They estimate that 63 (35%) of those cases were married couples. They also report that 95.9% of supplemental nursing care patients reside in Residential Care I or II Facilities and 4.1% of those patients reside in Skilled Nursing Facilities. Therefore 60 of the new cases would be in Residential Care Facilities and 3 in Skilled Nursing Facilities.

The Department's Division of Senior Services provides case management services for clients receiving personal care services in Residential Care Facilities. Some of the 60 new cases would require case management; however, those case management services could be absorbed with existing staff at this time.

Officials of the **Department of Social Services' Division of Family Services** stated that they anticipate 64 cases per year which would have been rejected would be accepted into Residential Care I Facilities (17 cases at \$156/month + \$25 Personal Needs Standard), Residential Care II Facilities (44 cases at \$292/month + \$25 Personal Needs Standard), and Skilled Nursing Care Facilities (3 cases at \$390/month + \$25 Personal Needs Standard).

Officials of the **Division of Medical Services** anticipates additional costs to Medicaid based on cost per eligible of \$656.40/month (increased 4% per year for FY 2004 and FY 2005). They also assume that some of the persons turned down for Residential Care Facilities are going into nursing facilities. Since some persons going into nursing facilities would go into Residential Care Facilities (RCFs) instead, there would be a cost savings. Officials figured cost savings at 10% choosing RCFs over nursing facilities and 35% choosing RCFs over nursing facilities. They estimate the actual percentage each year would lie between 10% and 35%.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
Department of Social Services			
<u>Cost</u> - Increased Residential Care and Skilled Nursing Facility Cases	(\$354,571)	(\$422,503)	(\$430,634)
<u>Savings</u> - Decrease Nursing Facility Cases	\$60,000 to \$220,000	\$74,880 to \$274,560	\$77,875 to \$285,542

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$125,571 to \$285,571)</u>	<u>(\$147,943 to \$347,623)</u>	<u>(\$145,092 to \$352,759)</u>
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FEDERAL FUNDS

<u>Income/Loss</u> of Federal Matching Funds	\$167,225 to (\$72,775)	\$208,697 to (\$90,823)	\$217,044 to (\$94,457)
<u>Increase/Decrease</u> in Medicaid Spending	(\$167,225) to \$72,775	(\$208,697) to \$90,823	(\$217,044) to \$94,457

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would require the Division of Family Services to do a division of assets for married couples when determining eligibility for supplemental nursing care payments when one spouse is living in a residential care facility.

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

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Acting Director
April 2, 2002