

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2114-01
Bill No.: SB 511
Subject: Taxation and Revenue - General; Disabilities; Social Services Dept.; Mental Health Dept.; Revenue Dept.
Type: Original
Date: April 1, 2009

Bill Summary: Provides for a community-based developmental disability provider tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Home and Community-Based Developmental Disabilities Waiver Reimbursement Allowance	0*	0*	0*
Total Estimated Net Effect on <u>Other</u> State Funds	\$0*	\$0*	\$0*

* Provider tax and increase in expenses net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Revenue, and Office of State Treasurer** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state the proposal should not result in added cost to the BAP. This legislation will increase total state revenue and count toward the 18(e) limit. The Department of Mental Health should provide the estimate of possible increased costs and revenues to the state as a result of this proposal.

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** state the legislation requires providers of home and community-based waiver services (HCBS) for persons with developmental disabilities to pay a certification fee. The Department of Mental Health determines the amount of the certification fees. HCBS providers may either pay the certification fees by check or offset against payments it is scheduled to receive from the state.

The proposal will have no fiscal impact to the MHD since the MHD will only handle the offsets.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS realizes this is a small amount and does not expect that additional funding would be required to meet these costs. The SOS 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 that 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 **Department of Mental Health (DMH)** state the proposal allows the Division of Developmental Disabilities (DD) to charge a fee that covers the state cost of the DD provider certification process. State funds will be freed up that are currently used to support the certification process, estimated at \$834,322. These freed up funds will be used for other purposes, including increases in the reimbursement rates of the providers paying the certification fees, an expenditure that qualifies for federal matching to the extent the services are provided to Medicaid-eligible recipients. The annual certification fee will be approximately \$1,000 per site. The DD will transfer funding from the "Home and Community-Based Developmental Disabilities Waiver Reimbursement Allowance Fund" to General Revenue and use the revenue generated to assist persons needing services and to fund a provider rate increase.

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011	FY 2012
HOME AND COMMUNITY-BASED DEVELOPMENTAL DISABILITIES WAIVER REIMBURSEMENT ALLOWANCE FUND			
<u>Income - DMH</u>			
Community-based developmental disability provider tax	\$1,300,000	\$1,300,000	\$325,000
<u>Costs - DMH</u>			
Increase in Community-based developmental disability provider costs	<u>(\$1,300,000)</u>	<u>(\$1,300,000)</u>	<u>(\$325,000)</u>
ESTIMATED NET EFFECT ON HOME AND COMMUNITY-BASED DEVELOPMENTAL DISABILITIES WAIVER REIMBURSEMENT ALLOWANCE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Income - DMH</u>			
Increase in program reimbursements	Up to \$834,332	Up to \$834,332	Up to \$208,581
<u>Expenditures - DMH</u>			
Increase in reimbursement expenses and administrative costs	<u>(Up to \$834,332)</u>	<u>(Up to \$834,332)</u>	<u>(Up to \$208,581)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could directly impact small business community-based developmental disability providers as they could realize additional federal reimbursements for Medicaid clients.

FISCAL DESCRIPTION

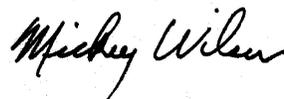
This proposal provides that beginning July 1, 2009, each provider of health benefit services providing residential habilitation, individualized supported living or day habilitation services in this state shall pay a provider reimbursement based on a formula set forth in rules promulgated by the Department of Mental Health. Fee payments under this proposal shall be deposited in the Home and Community-Based Developmental Disabilities Waiver Reimbursement Allowance Fund. The proposal sets forth the procedures for providers appealing a decision regarding the fee payments and reimbursements. The provider reimbursement allowance shall expire on September 30, 2011.

This proposal has 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

Office of Administration -
 Division of Budget and Planning
Office of State Courts Administrator
Department of Mental Health
Department of Revenue
Department of Social Services
Office of Secretary of State
Office of State Treasurer



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