Individual State Agency Fiscal Note

Bill Number: 3017 HB	Title: 3017	Agency: 300-Dept of Social and Health Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT		FY 2010	FY 2011	2009-11	2011-13	2013-15
General Fund-Federal	001-2		3,947,000	3,947,000	9,796,000	10,593,000
	Total $		3,947,000	3,947,000	9,796,000	10,593,000

Estimated Expenditures from:

		FY 2010	FY 2011	2009-11	2011-13	2013-15
Account						
General Fund-State	001-1	0	2,848,000	2,848,000	9,625,000	10,401,000
General Fund-Federal	001-2	0	3,947,000	3,947,000	9,796,000	10,593,000
	Total $	0	6,795,000	6,795,000	19,421,000	20,994,000

Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total $	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Trista Zugel	Phone: 360-786-7157	Date: 01/19/2010
Agency Preparation:	Edward Giger	Phone: 360-902-8067	Date: 02/02/2010
Agency Approval:	Dan Winkley	Phone: 360-902-8179	Date: 02/02/2010
OFM Review:	Eric Mandt	Phone: 360-902-0543	Date: 02/02/2010

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 is a new section and raises concerns over Developmentally Disabled Division (DDD) and Long Term Care (LTC) clients being able to supervise their provider in an Individual Provider (IP) setting. If no other qualified person is willing to accept supervision responsibilities on behalf of the client in writing, then the client may be best served by having a licensed home care agency provide the supervision in an Agency Provider (AP) setting.

Section 2 add language to the exemption of RCW 74.39A.326 by adding in the following:
"The provisions of this subsection shall not apply if the client is unable to supervise his or her paid care provider and has no qualified person willing to accept in writing the responsibilities and obligations of providing such supervision."

A qualified person is someone over the age of 21 who passes the Department's background check and receives no payment for providing services to the client.

Subsection 4 of section 2 provides detail to what determines whether the client can supervise their care provider. It reads as follows:
"For purposes of this section, a client is unable to supervise his or her paid care provider if so determined by the department's comprehensive assessment reporting evaluation or any successor evaluation tool adopted by the department or if the inability to supervise the paid care provider results from the client's level of cognitive performance, clinical complexity, or mood or behavior symptoms as certified by the client's treating physician."

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

General Fund Federal - Title XIX

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Due to the broad criteria related to inability to supervise, and the ability to receive a physician's certification based upon relatively subjective criteria, it is likely that this bill will result in most clients impacted by SHB 2361 reverting back to home care agency care.

About 97 percent of Division of Developmental Disabilities (DDD) clients, and 63 percent of Long Term Care (LTC) clients, have a cognitive performance score (CPS) of two or greater. This is one measurement that clients may use when requesting restoration of home care agency care, and was one of the criteria used in agency request legislation last session to identify clients who would be excluded from transferring from Agency Provider (AP) to Individual Provider (IP) care. This is a reasonable indicator of the low point on a range of clients who would switch back to an agency provider (AP) if SHB 2361 is amended.

Below are three scenarios showing a likely range of cost from this bill. The costs represented within this fiscal note correspond to the middle scenario. The middle scenario assumes that all DDD clients switch back to AP care, and half of the LTC clients with a CPS score of two or less will switch back. The criteria in Section 2.4 for the treating physician to recommend supervised is broad enough that almost any client currently receiving in-home care would qualify. Whatever scenario eventually unfolds, it will be the case that savings in FY11, and ensuing biennia, will decrease as clients revert back to home care agency care.

Upper Scenario: All clients switch back to an agency provider (AP).

* $8.4 million in total funds, $3.6 million GF-State, in Fiscal Year 2011
* $14.6 million in total funds, $7.3 million GF-State, in Fiscal Year 2015

Middle Scenario: 100% of DDD clients, and 82% of LTC clients, switch back to an AP.

* $6.8 million in total funds, $2.8 million GF-State, in Fiscal Year 2011
* $10.7 million in total funds, $5.3 million GF-State, in Fiscal Year 2015

Lower Scenario: 97% of DDD clients, and 63% of LTC clients, switch back to an AP.

* $4.6 million in total funds, $1.9 million GF-State, in Fiscal Year 2011
* $6.6 million in total funds, $3.3 million GF-State, in Fiscal Year 2015

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		6,795,000	6,795,000	19,421,000	20,994,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	$0	$6,795,000	$6,795,000	$19,421,000	$20,994,000

III. C - Expenditures By Program (optional)

Program	FY 2010	FY 2011	2009-11	2011-13	2013-15
Developmental Disabilities Division (040)		2,686,000	2,686,000	5,803,000	6,080,000
Long Term Care (050)		4,109,000	4,109,000	13,618,000	14,914,000
Total $		6,795,000	6,795,000	19,421,000	20,994,000

Part IV: Capital Budget Impact

There are no capital impacts.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

There are no new rules needed.

HB 3017 State In-Home Care Payments

2010 Supplemental - Net impact of HB-3017

*less savings for DDD and LTC from FY11 - FY15 as IP clients switch back to AP

	FY10	FY11	FY12	FY13	FY14	FY15
ADSA Savings						
Total	$ -	$ 6,795,000	$ 9,522,000	$ 9,899,000	$ 10,293,000	$ 10,701,000
GF-State	$ -	$ 2,848,000	$ 4,719,000	$ 4,906,000	$ 5,100,000	$ 5,301,000
Federal	$ -	$ 3,947,000	$ 4,803,000	$ 4,993,000	$ 5,193,000	$ 5,400,000
LTC Savings						
Total	$ -	$ 4,109,000	$ 6,654,000	$ 6,964,000	$ 7,288,000	$ 7,626,000
GF-State	$ -	$ 1,700,000	$ 3,295,000	$ 3,449,000	$ 3,609,000	$ 3,775,000
Federal	$ -	$ 2,409,000	$ 3,359,000	$ 3,515,000	$ 3,679,000	$ 3,851,000
DDD Savings						
Total	$ -	$ 2,686,000	$ 2,868,000	$ 2,935,000	$ 3,005,000	$ 3,075,000
GF-State	$ -	$ 1,148,000	$ 1,424,000	$ 1,457,000	$ 1,491,000	$ 1,526,000
Federal	$ -	$ 1,538,000	$ 1,444,000	$ 1,478,000	$ 1,514,000	$ 1,549,000