Individual State Agency Fiscal Note

Bill Number:	2746 HB	Title:	Medicaid personal care		Agency:	300-Dept of Social and Health Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT		FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-Federal	001-2		296,000	296,000	296,000	
	Total $		296,000	296,000	296,000	

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	5.0	2.5	2.5	0.0
Account					
General Fund-State 001-1	0	296,000	296,000	296,000	0
General Fund-Federal 001-2	0	296,000	296,000	296,000	0
Total $	0	592,000	592,000	592,000	0

Estimated Capital Budget Impact:

NONE

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.

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Agency Approval:	Ken Brown	Phone: 360-902-7583	Date: 02/04/2014
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Request # 14HB2746-2

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.

New Section 2. The department shall refinance Medicaid personal care services under the Community First Choice Option (CFCO). Beginning July 1, 2014, the department shall seek stakeholder input on program and system design prior to the submission of a proposal to the Center for Medicaid and Medicare Services. The CFCO must be fully implemented no later than June 30, 2016.

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.

The federal funding associated with this legislation is Medicaid Title XIX reimbursed at a 50.03% Federal Medicaid Assistance Percentage (FMAP). If qualified, the FMAP for these expenditures may increase to 56.03% under CFCO.

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.

New Section 2. Community First Choice Option (CFCO). Beginning July 1, 2014, the bill requires DSHS to seek stakeholder input on the CFCO program and system design prior to the submission of a proposal to the Center for Medicaid and Medicare Services. The CFCO must be fully implemented no later than June 30, 2016.

Through June 30, 2016, three waiver managers and two data analysts are needed to seek stakeholder input on the program and create a viable plan to refinance personal care under the CFCO. It is assumed that these positions would be retained for other similar duties after CFCO is implemented; however, future staffing decisions will be based on the legislative outcome of the agency's CFCO staffing plan request.

Since the department has only just begun research and development into CFCO, any savings related to CFCO is indeterminate at this time. The department will leverage an increased match rate in federal Medicaid services, which could potentially free approximately $38M per year of GF-State in one possible scenario, but is dependent on program design.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years		5.0	2.5	2.5	
A-Salaries and Wages		368,000	368,000	368,000	
B-Employee Benefits		114,000	114,000	114,000	
C-Professional Service Contracts					
E-Goods and Other Services		69,000	69,000	69,000	
G-Travel		1,000	1,000	1,000	
J-Capital Outlays		30,000	30,000	30,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service		2,000	2,000	2,000	
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		8,000	8,000	8,000	
9-					
Total:	$0	$592,000	$592,000	$592,000	$0

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2014	FY 2015	2013-15	2015-17	2017-19
IT Specialist 5	76,000		2.0	1.0	1.0	
WMS Band 2 (ALTSA)	72,000		2.0	1.0	1.0	
WMS Band 2 (DDA)	72,000		1.0	0.5	0.5	
Total FTE's	220,000		5.0	2.5	2.5	0.0

III. C - Expenditures By Program (optional)

Program	FY 2014	FY 2015	2013-15	2015-17	2017-19
Developmental Disabilities Administration (040)		116,000	116,000	116,000	
Aging & Long-Term Support Administration (050)		476,000	476,000	476,000	
Total $		592,000	592,000	592,000	

Part IV: Capital Budget Impact

NONE

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.

The department will need to create new rules for the CFCO program.