

Multiple Agency Fiscal Note Summary

Bill Number: 2043 HB	Title: Guardianships maximum fee
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Social and Health Services	0	(760,000)	0	(760,000)	0	(760,000)
Total \$	0	(760,000)	0	(760,000)	0	(760,000)

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	Fiscal note not available								
Department of Social and Health Services	.0	(1,284,000)	(2,044,000)	.0	(1,284,000)	(2,044,000)	.0	(1,284,000)	(2,044,000)
Total	0.0	\$(1,284,000)	\$(2,044,000)	0.0	\$(1,284,000)	\$(2,044,000)	0.0	\$(1,284,000)	\$(2,044,000)

Estimated Capital Budget Impact

NONE

Prepared by: Bryce Andersen, OFM	Phone: (360) 902-0580	Date Published: Preliminary 3/ 2/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 40412

FNS029 Multi Agency rollout

Judicial Impact Fiscal Note

Bill Number: 2043 HB	Title: Guardianships maximum fee	Agency: 055-Admin Office of the Courts
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Part I: Estimates



No Fiscal Impact

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

Legislative Contact James Kettel	Phone: 360-786-7123	Date: 02/10/2015
Agency Preparation: Renee Lewis	Phone: 360-704-4142	Date: 02/11/2015
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date: 02/11/2015
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/11/2015

Request # 2043 HB-1

Part II: Narrative Explanation

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

RCW 11.92.180 would be amended to read: The superior court may allow guardianship fees and administrative costs in an amount set out in an order. For orders that establish or continue a legal guardianship for a client of the department of social and health services, and requires a future review or accounting, then: (1) The amount of guardianship fees may not exceed fifteen percent of the incapacitated person's monthly income or one hundred seventy-five dollars per month, whichever is less; (2) The amount of administrative costs directly related to establishing a guardianship may not exceed seven hundred dollars; and (3) The amount of administrative costs may not exceed a total of six hundred dollars during any three-year period .

Based on input from the courts, changing the statute may cause a decrease in guardians to take the cases if the fees are reduced . In addition, if the administrative fees include attorney's fees, there may be more pro se hearings which adds to the time spent on hearings . However, additional hearing time would be minimal and the workload would be absorbed .

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 2043 HB	Title: Guardianships maximum fee	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
General Fund-Federal 001-2	(380,000)	(380,000)	(760,000)	(760,000)	(760,000)
Total \$	(380,000)	(380,000)	(760,000)	(760,000)	(760,000)

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
Account					
General Fund-State 001-1	(642,000)	(642,000)	(1,284,000)	(1,284,000)	(1,284,000)
General Fund-Federal 001-2	(380,000)	(380,000)	(760,000)	(760,000)	(760,000)
Total \$	(1,022,000)	(1,022,000)	(2,044,000)	(2,044,000)	(2,044,000)

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.

Legislative Contact: James Kettel	Phone: 360-786-7123	Date: 02/10/2015
Agency Preparation: Bryan Way	Phone: 360-902-7769	Date: 02/27/2015
Agency Approval: Ken Brown	Phone: 360-902-7583	Date: 02/27/2015
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 03/02/2015

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.

This bill changes the rules about the maximum fee for professional guardianship and administrative costs. It places language from WAC 388-79-030 into statute.

Section 1. This bill strikes language about the department setting the maximum amount of guardianship fees and additional compensation by rule. The superior court may allow guardianship fees and additional compensation in an order. Orders that establish or continue a legal guardianship for a DSHS client and require a future review or accounting may not exceed the lesser of 15 percent of the incapacitated person's monthly income or \$175 per month, the amount of administrative costs directly related to establishing a guardianship may not exceed \$700, and the amount of administrative costs may not exceed a total of \$600 during any three year period.

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.

This analysis assumes a fund split of 63 percent GF-State and 37 percent federal. The primary driver for this fund split is that the bill impacts a large portion of clients receiving services that are ineligible for federal Medicaid match so their services are paid using GF-State dollars only. The department assumes that services for any clients that are eligible for federal match would receive a standard 50 percent Federal Medicaid Assistance Percentage (FMAP) under Medicaid 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.

Background

Known as client participation, many clients contribute to the cost of their care and are responsible for their full room and board costs in most cases. Guardianship fees and associated administrative costs are an allowable deduction in calculating client participation, which is any amount of income above the personal needs allowance based on where the client lives or the statewide room and board amount. Rules that determine deductions to client participation are based on the approved state plan amendment by the Centers for Medicare and Medicaid Service (CMS), which are governed by the Health Care Authority under RCW Ch. 182.

Currently, the department receives guardianship orders exceeding approved amounts in the state plan amendment by the CMS. When the amounts in the orders exceed the approved federal caps for clients in medical institutions, the department is put in conflict between federal regulations and being held in contempt by the courts. When clients who live in residential settings do not have enough participation to allow the full amount of the court order, the state must use GF-State dollars to cover any remaining balance using an ETR process.

Fiscal Analysis

There are currently 2,670 clients with a guardianship fee and related administrative fee deduction. Of these, 43 percent have a court ordered deduction that exceeds the \$175 amount included in WAC 388-79-030. The

average guardianship and administrative fee was over \$600 per month and the highest court ordered monthly guardianship fee was \$1,600 per month.

To calculate the fiscal impact of this bill, the department examined client participation data from January 2015 for about 1,067 individuals receiving services from the Aging and Long-Term Support Administration (AL TSA) and Development Disabilities Administration (DDA) to determine how much funding is in excess of the \$175 maximum fee amount and account for adjusted fund splits associated with this fee maximum. The department estimated cost savings of this bill to be \$1,022,000 Total Funds (\$642,000 GF-State) in Fiscal Year 2016 and each year thereafter.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	(1,022,000)	(1,022,000)	(2,044,000)	(2,044,000)	(2,044,000)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$ (1,022,000)	\$ (1,022,000)	\$ (2,044,000)	\$ (2,044,000)	\$ (2,044,000)

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Developmental Disabilities Administration (040)	(194,000)	(194,000)	(388,000)	(388,000)	(388,000)
Aging and Long-Term Support Administration ((828,000)	(828,000)	(1,656,000)	(1,656,000)	(1,656,000)
Total \$	(1,022,000)	(1,022,000)	(2,044,000)	(2,044,000)	(2,044,000)

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.

WAC 388-79 would need to be amended or repealed and WACs 182-513-1380, 182-515-1509, and 182-515-1514 would need to be amended to correct the reference.