

HF3134 - 1E - "Amend Date Children Res Treatment Payment"

Chief Author: **Jeff Backer**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/02/2018**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	791	4,833	4,854
Total	-	-	791	4,833	4,854
Biennial Total			791		9,687

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge Date: 4/2/2018 12:19:53 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	791	4,833	4,854
Total		-	-	791	4,833	4,854
Biennial Total					791	9,687
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	791	4,833	4,854
Total		-	-	791	4,833	4,854
Biennial Total					791	9,687
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total					-	-

Bill Description

This bill extends the funding for state-only funded MA to replace lost federal revenue for children’s residential mental health treatment in facilities that are determined to be IMDs out to June 30, 2021.

The bill also extends the date of the report with specific recommendations and timelines for implementation to the legislature to June 30, 2019.

Assumptions

For children in fee-for-service MA at the time they are placed in a Rule 5 that is determined to be an IMD, the following conditions will apply:

- The child will stay in FFS
- All claims for that child will be state funded until the child is discharged from that facility
- Counties will be billed for their share of the Rule 5 treatment costs by the state
- Counties continue to pay for room and board

For children in managed care at the time they are placed in a Rule 5 that is determined to be an IMD, the following conditions will apply:

- The child will stay in managed care (unless other circumstances require them to be disenrolled)
- Capitation payments to MCOs will be paid with all state funds for any month that the child was in an IMD for more than 15 days
- Counties continue to pay for room and board

It is expected that approximately 79% of Rule 5 beds are in facilities which will be declared IMDs May 1, 2018. This status will make Rule 5 treatment costs in those facilities ineligible for federal Medicaid matching. (Currently the shares of funding for this service are 50% federal and 50% county.)

Expenditure and/or Revenue Formula

	FY 2018	FY 2019	FY 2020	FY 2021
Base forecast: Rule 5 treatment	\$11,837,247	\$12,015,818	\$12,234,369	\$12,289,185
Current federal funding @ 50%	\$5,918,624	\$6,007,909	\$6,117,185	\$6,144,593
Proportion expected to lose federal funding	79.0%	79.0%	79.0%	79.0%
Reduction in federal funding	\$4,675,713	\$4,746,248	\$4,832,576	\$4,854,228
Cost assumed by State-only MA	\$4,675,713	\$4,746,248	\$4,832,576	\$4,854,228
Proportion approved in 2017 session	25.0%	83.3%	0.0%	0.0%
Funding approved in 2017 session	\$1,168,928	\$3,955,207	\$0	\$0
Additional proportion of state funded months		16.7%	100.0%	100.0%
Total state cost		\$791,041	\$4,832,576	\$4,854,228

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	33	MA Children & Families		791	4,833	4,854
		Total Net Fiscal Impact		791	4,833	4,854
		Full Time Equivalents				

Long-Term Fiscal Considerations

The additional costs would impact the MA forecast.

Local Fiscal Impact

The counties would be responsible for the county share of the additional costs.

References/Sources

Jill Roberts, Community Supports Administration

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