



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0216	Title:	Revise medicaid in home care services fraud prevention laws
Primary Sponsor:	Webb, Roger	Status:	As Introduced

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$69,475	\$51,125	\$51,125	\$51,125
Federal Special Revenue	\$69,475	\$51,125	\$51,125	\$51,125
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$69,475	\$51,125	\$51,125	\$51,125
Net Impact-General Fund Balance:	<u>(\$69,475)</u>	<u>(\$51,125)</u>	<u>(\$51,125)</u>	<u>(\$51,125)</u>

Description of fiscal impact: The primary fiscal impact of this legislation is the cost associated with the development of cost reporting processes and the ongoing auditing and reporting functions this legislation requires.

FISCAL ANALYSIS

Assumptions:

Senior and Long Term Care Division

1. Fraud prevention education and training requirements will be implemented with existing staff resources and existing funding.
2. Fiscal accountability for home and community based services would need to be contracted through a Request for Proposal in order to implement section 2 of the legislation.
3. The costs are based on an expected volume of 50 in-home providers of personal assistance or attendant services meeting these requirements for reporting of cost information.
4. The expenses are funded 50% general fund and 50% federal fund.
5. FY 2016 costs to implement fiscal accountability for HCBS in-home Services include:

Develop Cost or Expense Reporting Tool and Instructions	35,000
Cost/Expense Report Data Collection and Validation	5,250
During the first two years of implementation, it is assumed that all providers will receive some type of review of their cost data. Reviews will include full cost/expense report audits of up to 5 providers; focused cost/expense reviews of up to 5 providers, and desk reviews of 40 remaining provider cost/expense reports.	61,000
Develop Cost Report Data Base	15,000
Develop and implement provider Cost Report Training	2,500
Cost Report Maintenance and Ad Hoc Reporting	10,000
Audited Cost and Rate Analysis Reporting	10,000
Total	138,750

6. Future years annual expenses for fiscal accountability for HCBS in-home Services include:

Cost Report Data Collection and Validation	5,250
During the first two years of implementation it is assumed that all providers will receive some type of review of their cost data. Reviews will included full cost/expense report audits of up to 5 providers; focused cost/expense reviews of up to 5 providers, and Desk reviews of 40 remaining provider cost/expense reports.	61,000
Cost Report Data Base Maintenance of filed reports	15,000
Provider Cost Report Training ongoing update	1,000
Cost Report Maintenance and Ad Hoc Reporting	10,000
Audited Cost and Rate Analysis Reporting	10,000
Total	102,250

Director’s Office

7. Administrative rules would need to be drafted as a result of implementing the bill. It is estimated that there will be 4 pages of rules necessary to explain this reporting process at a cost of \$50 per page for a one time only cost of \$200.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$138,950	\$102,250	\$102,250	\$102,250
TOTAL Expenditures	\$138,950	\$102,250	\$102,250	\$102,250
<u>Funding of Expenditures:</u>				
General Fund (01)	\$69,475	\$51,125	\$51,125	\$51,125
Federal Special Revenue (03)	\$69,475	\$51,125	\$51,125	\$51,125
TOTAL Funding of Exp.	\$138,950	\$102,250	\$102,250	\$102,250
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$69,475	\$51,125	\$51,125	\$51,125
TOTAL Revenues	\$69,475	\$51,125	\$51,125	\$51,125
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$69,475)	(\$51,125)	(\$51,125)	(\$51,125)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

1. It is unclear if providers are to absorb costs per section(s) 1(1), 1(2), 1(3), and 2(1).

Sponsor's Initials

Date

Budget Director's Initials

Date