

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 737 (First Edition)

SHORT TITLE: DHHS Shall Seek TBI Medicaid Waiver.

SPONSOR(S): Representatives Insko and Martin

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES					
EXPENDITURES					SEE ASSUMPTIONS
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Department of Health and Human Services, Division of Medical Assistance				
EFFECTIVE DATE:					

BILL SUMMARY:

March 23, 2009

Directs the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Department) to apply to the Centers for Medicare and Medicaid Services for a 1915(c) waiver to allow people who sustain traumatic brain injury after age 22 to access home and community-based Medicaid services. Provides that if the requested waiver is approved, the Department is not to implement the waiver except as authorized by an act of the General Assembly appropriating funds for this purpose.

Directs the Department to report, no later than March 1, 2010, on the status of the waiver to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division

ASSUMPTIONS AND METHODOLOGY:

The bill as written requires no appropriation and has no fiscal impact. The Department may not implement the waiver except as authorized by an act of the General Assembly appropriating funds for this purpose. The following analysis outlines expenditures if the waiver were implemented.

According to the Division of Medical Assistance, the waiver would be limited to 300 recipients, with a maximum annual benefit of \$60,000. Implementation would require the hiring of one staff person, require changes to the Medicaid Management and Information System (MMIS) and the Eligibility Information System (EIS), and establishing a prior approval process.

DMA Costs - Services					
	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014
# recipients	200	300	300	300	300
Average annual cost/recipient	\$40,000	\$41,320	\$42,684	\$44,092	\$45,547
New Requirements	\$8,000,000	\$12,396,000	\$12,805,068	\$13,227,635	\$13,664,147
Federal Share	\$5,200,000	\$8,126,818	\$8,395,003	\$8,672,038	\$8,958,215
State Appropriation	\$2,800,000	\$4,269,182	\$4,410,065	\$4,555,598	\$4,705,932
DMA Costs - MMIS+ and EIS					
New Requirements	\$94,846	\$0	\$0	\$0	\$0
Federal Share	\$47,423	\$0	\$0	\$0	\$0
State Appropriation	\$47,423	\$0	\$0	\$0	\$0
DMA Costs - Prior Approval					
New Requirements	\$130,000	\$195,000	\$195,000	\$195,000	\$195,000
Federal Share	\$65,000	\$97,500	\$97,500	\$97,500	\$97,500
State Appropriation	\$65,000	\$97,500	\$97,500	\$97,500	\$97,500

DMH Costs - Staff					
	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014
New Requirements	\$85,435	\$82,457	\$82,457	\$82,457	\$82,457
Federal Share	\$42,718	\$41,229	\$41,229	\$41,229	\$41,229
State Appropriation	\$42,718	\$41,229	\$41,229	\$41,229	\$41,229

Total Costs					
	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014
Total New Requirements	\$8,310,282	\$12,673,457	\$13,082,525	\$13,505,093	\$13,941,605
Federal Share	\$5,355,141	\$8,265,546	\$8,533,731	\$8,810,766	\$9,096,944
State Appropriation	\$2,955,141	\$4,407,911	\$4,548,794	\$4,694,326	\$4,844,661

Source: Division of Medical Assistance

Recipients:

- Assumes that a maximum of 300 people would be served by the waiver
- Assumes that the full caseload would be phased in and only 200 would be served in the first year

Services:

- Assumes a maximum annual cost of \$60,000 per recipient
- Assumes an average annual cost of \$40,000 per recipient (adjusted for inflation)
- Assumes an average inflation rate of 3.30% in cost per unit increase (based on the January 2009 Medicaid budget model)
- New program would not be eligible for increased Federal Medical Assistance Percentage (FMAPs) under the American Recovery and Reinvestment Act (ARRA)
 - Assumes a 65% federal/35% State matching rate for services in FY 2010-11 (as used in the FY 2009-10 Medicaid budget model)
 - Assumes a 65.56% federal/34.44% State matching rate for services FY 2011-2014 (based on the January 2009 Medicaid budget model)

Technology Costs:

Projected System Costs	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014
MMIS development - detail definition & testing hours	\$77,590				
MMIS CPU minutes (estimated)	\$5,306				
MMIS reporting hours	\$8,350				
Eligibility Information System (EIS)	\$3,600				
Total	\$94,846	\$0	\$0	\$0	\$0

Source: Division of Medical Assistance

Administration:

- Assumes a 50% federal/50% State matching rate for administrative costs and staff
- Assumes 1 staff at pay grade 76 (midpoint) and associated fringe benefits
- Assumes administrative costs (rent, computer, furniture, telephone, postage, travel training, etc), and that start-up costs for computer, software, and furniture are non-recurring in FY 2010
- Prior approval would be required for entry into the waiver and possibly for all services, dependent upon program design and final approved waiver services. Includes initial approval, intermittent review, and medical consultation(s)

PAY GRADE 76	\$64,778		
State Share = 50%	SFY 2010	SFY 2011	SFY 2012
Salary	32,389	32,389	32,389
Social Security (7.65%)	2,478	2,478	2,478
Retirement (8.14%)	2,636	2,636	2,636
Medical Insurance	2,079	2,079	2,079
Telephone	100	100	100
Supply	100	100	100
Postage	38	38	38
Travel	100	100	100
Rent (professional/108 sq. ft)	972	972	972
Training	338	338	338
Laptop Computer	550		
Software	189		
Furniture	750		
TOTAL STATE SHARE	\$ 42,718	\$ 41,229	\$ 41,229

Source: Division of Medical Assistance

SOURCES OF DATA: Division of Medical Assistance, Centers for Medicare and Medicaid Services

TECHNICAL CONSIDERATIONS: None

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DATE: April 22, 2009



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