

**STATE
FISCAL IMPACT**

Drafting Number: LLS 12-0805

Date: April 2, 2012

Prime Sponsor(s): Sen. Hudak
Rep. Kerr J.

Bill Status: Senate Health and Human Services

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TITLE: CONCERNING THE EVALUATION OF HOME- AND COMMUNITY-BASED SERVICES FOR CHILDREN WITH AUTISM UNDER THE MEDICAID WAIVER PROGRAM.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	<u>\$6,925</u>	<u>\$68,925</u>
Cash Funds		
Colorado Autism Treatment Fund	3,463	34,463
Federal Funds	3,462	34,462
FTE Position Change		
Effective Date: July 1, 2012.		
Appropriation Summary for FY 2012-2013: The Department of Health Care Policy and Financing requires an appropriation of \$6,925 including \$3,463 from the Colorado Autism Treatment Fund and \$3,462 federal funds.		
Local Government Impact: None.		

Summary of Legislation

This bill clarifies the frequency and content of evaluations for children receiving Medicaid home- and community-based services (HCBS) through the Children with Autism (CWA) waiver program. Specifically, child evaluations are to occur at entry, every six months, and upon leaving the program, and must be completed by the lead therapist or a professional who is not a member of the child's ongoing treatment team.

The Department of Health Care Policy and Financing (DHCPF) is directed to annually review the fund balance of the Colorado Autism Treatment Fund to determine whether additional eligible children may be enrolled in the program. It is also required to develop criteria for program eligibility that prioritizes enrollment of children with autism who are most vulnerable to be institutionalized and have significant intellectual and adaptive behavior impairments.

On or before June 1, 2014, DHCPF is to submit a written program evaluation to specified legislative committees, which includes the number of children receiving services, age and length of service information, average cost of services, and outcome data. Finally, the bill allows child and program evaluations to be paid for with moneys from the Colorado Autism Treatment Fund.

Background

The CWA program provides services to children diagnosed with autism with intensive behavioral needs who are at risk of institutionalization and who are under the age of six. The upper income limit for eligibility is 300 percent of the federal poverty level (FPL). Once enrolled, a child may remain in the program for up to three years with a maximum yearly benefit of \$25,000.

The program provides case management and behavioral therapies (CWA program services), as well as traditional state Medicaid plan benefits. CWA program service costs are shared between the Colorado Autism Treatment Fund and federal funds. The payment source for state Medicaid plan benefits depends on the child's Medicaid eligibility status. Costs for Medicaid-eligible children are shared between the General Fund and federal funds. Costs for non Medicaid-eligible children are paid for with General Fund.

In FY 2009-10, a total of 108 unique children received services for an average of 231 days, or 7.6 months. While length of service data is not yet available for FY 2010-11, a total of 115 unique clients were served, which suggests the length of service was slightly reduced. The average per capita cost is \$18,274, which includes \$12,548 for CWA program services and \$5,726 for state Medicaid plan benefits.

Technical note on program eligibility. It should be noted that the bill directs DHCPF to develop criteria for program eligibility that prioritizes enrollment of children with autism who are most vulnerable to be institutionalized and have significant intellectual and adaptive behavior impairments. Under the federal Patient Protection and Affordable Care Act (ACA), states are required to maintain the eligibility standards, methodologies, and procedures that were in effect when ACA became law in March 2010. For this reason, it is assumed that the DHCPF cannot implement any changes in program eligibility that would be more restrictive than federal standards, such as differentiating eligibility based on a child's risk for institutionalization. Instead, this analysis assumes DHCPF will continue to serve children according to the existing program criteria, including accepting new children according to their placement on the current wait list.

Technical note on program expansion. The DHCPF is also required to review the fund balance of the Colorado Autism Treatment Fund each year to determine whether additional eligible children may be enrolled in the program. As of July 1, 2011, the Colorado Autism Treatment Fund had a fund balance of \$2.1 million. However, the department's waiver restricts the maximum caseload to 75 eligible children at any given time. If the DHCPF is directed to seek a waiver amendment to expand services, additional costs will be incurred to write the waiver amendment and to provide CWA services.

Should this occur, General Fund costs may also increase. Under current law, the maximum income allowable for children under the age of six in Medicaid is 133 percent of FPL. The CWA program serves children with incomes of up to 300 percent of FPL. Therefore, state Medicaid plan benefits for eligible children with incomes of between 133 percent and 300 percent of FPL would be funded entirely with General Fund. These amounts have not been estimated and are not included in the State Expenditures section. This analysis assumes that should this occur, the department will request an adjustment in appropriations through the annual budget process.

State Expenditures

This bill is anticipated to increase state expenditures by \$6,925 in FY 2012-13 and \$68,925 in FY 2013-14.

Child evaluations. Evaluations currently occur at intake and every six months. There is no post-service review and most clients leave the program within two months of the six-month evaluation. Based on the existing estimate of 115 unique children served per year, this analysis assumes an average of 40 additional evaluations will be completed per year for children leaving the program. The estimated cost of the post-service review is \$173.12 per client, or \$6,925 per year. Costs are assumed to be shared between the Colorado Autism Treatment Fund and federal funds.

Program evaluation. The bill requires the department to conduct a CWA program evaluation and authorizes the department to hire a contractor for this purpose. Based on similar evaluations, this cost is anticipated to be \$62,000 in FY 2013-14, including \$31,000 from the Colorado Autism Treatment Fund and \$31,000 federal funds.

State Appropriations

For FY 2012-13, the Department of Health Care Policy and Financing requires an appropriation of \$6,925, including \$3,463 from the Colorado Autism Treatment Fund and \$3,462 federal funds.

Departments Contacted

Health Care Policy and Financing