

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0443	Date: April 8, 2014
Prime Sponsor(s): Rep. Young; Joshi Sen. Aguilar	Bill Status: House Public Health Care and Human Services
	Fiscal Analyst: Bill Zepernick (303-866-4777)

SHORT TITLE: SUNSET REVIEW IN-HOME SUPPORT SERVICES

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures		<u>\$26,812,977</u>
Base Expenditures - General Fund		13,135,677
Base Expenditures - Federal Funds		13,677,300
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year. Base funding and expenditures reflect the continuation of existing operations without significant program changes.

Summary of Legislation

This bill implements the 2013 sunset recommendations for the in-home support services (IHSS) program administered by the Department of Health Care Policy and Financing (HCPF). Changes under the bill include extending IHSS under certain Medicaid Home- and Community-Based Services (HCBS) waiver programs through September 1, 2019, and adding clients served through the Spinal Cord Injury Waiver Pilot Program as eligible for IHSS.

Background

IHSS includes a ranges of services for persons with disabilities who are eligible for certain Medicaid waiver programs. These services include health maintenance, household assistance, and personal care services that allow clients to remain in their homes rather than nursing care and other types of facilities. Currently, IHSS are provided to Medicaid clients receiving services through the Children's HCBS and the Elderly, Blind, and Disabled waiver programs. The Spinal Cord Injury waiver pilot program will run for three years from July 1, 2012, through June 30, 2015. This pilot program allows up to 67 clients to access alternative therapies such as acupuncture, chiropractic care, and massage, in addition to other HCBS waiver services.

Fiscal Impact of Programs Set to Expire

This bill continues a program in HCPF that is set to repeal effective September 1, 2014. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2015-16, one year after the repeal date. There is no need for an appropriation of the program's base funding in FY 2014-15, since the program's authorization has not yet expired, and ongoing funding for the program is included in the department's base budget request for the upcoming fiscal year. Funding for IHSS under the HCBS waiver programs is \$23.5 million in FY 2014-15.

State Expenditures

By continuing IHSS under the specified HCBS waiver programs, the bill increases costs in HCPF by \$26.8 million in FY 2015-16. This funding represents the projected costs of IHSS under these waivers as shown in Table 1. Costs in FY 2015-16 are projected to increase from current levels based on expected caseload growth and provide rate increases.

Table 1. Expenditures Under HB 14-1358		
Cost Components	FY 2014-15	FY 2015-16
Children's HCBS Waiver	0	\$6,473,278
Elderly, Blind, and Disabled Waiver	0	20,238,419
Spinal Cord Injury Waiver Pilot Program	0	101,280
TOTAL	\$0	\$26,812,977

IHSS for Spinal Cord Injury waiver clients. While the bill adds the Spinal Cord Injury waiver pilot program to the list of HCBS waivers eligible for IHSS, the approved federal waiver for persons with spinal cord injuries and the associated costs of the waiver included the provision of IHSS. Thus, the fiscal note shows this as a continuation cost, rather than a new cost, following extension of the program.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing Human Services Regulatory Agencies