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## FISCAL IMPACT REPORT



SPONSOR:     Ruiz     DATE TYPED:   1/29/02   HB   113  

SHORT TITLE:   Developmental Disabilities Services   SB                     

ANALYST:   Esquibel  

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$7,000.0			Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in The General Appropriation Act of \$44,386.5 in general fund

Duplicates SB7.

### SOURCES OF INFORMATION

#### Responses Received From

Department of Health (DOH)  
 Developmental Disabilities Planning Council (DDPC)  
 Public Defender Department (PDD)

### SUMMARY

#### Synopsis of Bill

House Bill 113 appropriates \$7 million from the general fund to DOH for the following:

- \$4 million for an increase in reimbursement rates under the developmental disabilities (DD) Medicaid waiver program to pay for increased program costs, including staffing costs such as overtime, employee benefits, salary adjustments as an incentive to reduce turnover rates, and to support a minimum wage of \$10.00/hr for direct care staff; and
- \$3 million for an increase in the reimbursement rates for the general fund developmental disabilities program to bring parity between it and the DD Medicaid waiver program.

Significant Issues

DOH indicates the \$4 million appropriation for the rate increase for the DD Medicaid waiver could negatively impact the cost neutrality federal requirements of the Center for Medicare and Medicaid Services (CMS). Recalculations/adjustments of the package currently approved by CMS would need to occur if this appropriation is made. If cost neutrality cannot be maintained as required by the federal government, adjustments would have to be made to the package of services.

**FISCAL IMPLICATIONS**

The appropriation of \$7 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY03 shall revert to the general fund.

DOH reports the appropriation contained in the bill may not be sufficient to bring minimum salaries up to \$10.00/hr for both the DD Medicaid waiver program and the general fund DD program.

HB2 currently contains \$44,386.5 in general fund and fund balance to fund the DD Medicaid waiver and reduce the waiting list; and approximately \$18 million in general fund contracts for the general fund DD program.

**TECHNICAL ISSUES**

DOH suggests specifying the exact amount of the appropriation to be used for increasing pay for direct care staff under both programs.

**RAE/njw**