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FISCAL IMPACT REPORT

SPONSOR Trujillo, J./Armstrong, D. **ORIGINAL DATE** 1/29/20
LAST UPDATED _____ **HB** 238
SHORT TITLE Aging Network Provider Reimbursements **SB** _____
ANALYST Kludt

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|------------------------------|------------------|
| FY20 | FY21 | | |
| | \$4,000.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long Term Services Department (ALTSD)

SUMMARY

Synopsis of Bill

House Bill 238 appropriates \$4 million from the general fund to the Aging and Long Term Services Department (ALTSD) to increase provider reimbursements in the aging network. The department shall coordinate with area agencies on aging (AAA) to develop a distribution method that prioritizes small, rural providers; providers at risk of closure or loss of services; and providers with waiting lists.

FISCAL IMPLICATIONS

The appropriation of \$4 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2021 shall revert to the general fund.

LFC was not provided any analysis or methodology to estimate how reimbursement rates will be increased and therefore is unable to determine if \$4 million is sufficient to fulfill the intent of this bill. ALTSD reported the department has yet to conduct analysis for provider cost of services and standardize a range of reimbursements and therefore is also unsure of distribution of this funding.

SIGNIFICANT ISSUES

ALTSD reported the agency would need to conduct a thorough analysis of providers' cost of services and standardize a range of reimbursement. The ALTSD would coordinate with the AAA's to develop a distribution method of reimbursement which prioritizes small and rural providers, those at risk of closure, loss of services and those with waitlist of services for seniors.

ALTSD also reported some providers in rural areas are in a position of reducing or canceling services. While some service providers report the seniors, who are currently being served present with a higher needs level as well as a general increase in the senior population. Contracted providers are having to put seniors on waitlists for congregate, home delivered meals and transportation.

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