

HF1804 - 1E - " Group Residential Housing Eligibility"

Chief Author: **Tony Albright**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/23/2017**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	146	224	241	261
Total	-	146	224	241	261
Biennial Total			370		502

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	146	224	241	261	
Total		-	146	224	241	261
Biennial Total				370		502
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	146	224	241	261	
Total		-	146	224	241	261
Biennial Total				370		502
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill adds eligibility criteria for Group Residential Housing (GRH) to allow all people in residential crisis services to be presumed eligible for GRH if they are receiving medical assistance. Medical assistance is used as a proxy for low income. It also allows people who are in a crisis residence to maintain their GRH housing payments in another setting. Current law allows for concurrent payment for up to 18 days per occurrence.

Assumptions

This bill changes the calculation for the amount of GRH payment to be based on the number of days of stay, and does not include the individual's income. The individuals in this group would not have a client obligation toward their GRH payment. The state would pay 100% of the GRH room and board rate.

Under this bill, GRH will pay for the days of stay of people who are receiving MA in GRH facilities providing residential crisis services. The number of MA days in GRH facilities of 6,596 for SFY15 is used as a proxy for the number of days that GRH will pay for at the GRH housing rate of \$893 per month. In addition, it is assumed that the number of days will grow at 8% per year based on the actual growth rate from SFY11 to SFY15. It is estimated that GRH days for SFY18 would be 8,309 days.

GRH payment calculations would be based on the days of stay and do not include the individual's income. DHS data show that 21% of the MA recipients in GRH facilities are current GRH recipients and the GRH program pays for 73% of the housing rate while the client is responsible for the remainder. The GRH offset is the GRH share of the housing rate for current GRH recipients.

This bill would be effective Oct 1, 2017 and a 3 month phase-in is assumed.

Systems changes would be required to implement the change in GRH to add new fields to multiple panels in the MAXIS system. These fields are necessary to identify facilities that will provide crisis services to residents and then report on these facilities and fields. The cost is estimated at \$35,100 of which the state share is \$16,848. This estimate has been provided by MN.IT@DHS staff.

Expenditure and/or Revenue Formula

The table below shows the number of days paid under MA for people receiving crisis stabilization services in a supervised, licensed residential setting.

SFY	Number of MA Recipients in non-GRH and GRH Facilities	Number of Days Paid by MA
15	1,987	14,525
14	1,980	14,417
13	1,805	12,836
12	1,928	12,492
11	1,555	10,717

The table below shows the number of days paid under MA for people receiving crisis stabilization services in a supervised, licensed residential setting broken down by type of facility (non-GRH vs GRH) for SFY15.

Facility Type	Number of MA Recipients	Number of Days Paid by MA
Non-GRH facilities	1,165	7,929
GRH facilities	822	6,596

GRH Program	FY2018	FY2019	FY2020	FY2021
Estimated GRH days in a year	8,309	8,974	9,692	10,467
Average GRH housing daily rate (\$893*12/365 days)	\$29.36	\$29.36	\$29.36	\$29.36
Estimated GRH payment	\$243,945	\$263,460	\$284,537	\$307,300
% used by current GRH recipients	21%	21%	21%	21%
% currently paid by the GRH program	73%	73%	73%	73%
GRH offset	(\$36,959)	(\$39,915)	(\$43,109)	(\$46,557)
Increased GRH payment	\$206,986	\$223,545	\$241,429	\$260,743
Phase-in	62%	100%	100%	100%
Cost of expanding GRH eligibility	\$128,849	\$223,545	\$241,429	\$260,743

Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	25	Group Residential Housing Grants	129	224	241	261

GF	11	Systems (MAXIS @ 55%)	17	0	0	0
		Total Net Fiscal Impact	146	224	241	261
		Full Time Equivalents				

Long-Term Fiscal Considerations

This change is assumed to be on-going.

Local Fiscal Impact

None.

References/Sources

Jill Roberts, Community Supports

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