

**HF976 - 2A - "Grp Residential Housing Eligibility Mods"**

Chief Author: **Joe Mcdonald**  
 Committee: **Health and Human Services Finance**  
 Date Completed: **04/14/2015**  
 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)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	309	550	605	666	
<b>Total</b>	-	<b>309</b>	<b>550</b>	<b>605</b>	<b>666</b>	
<b>Biennial Total</b>			<b>859</b>			<b>1,271</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Executive Budget Officer's Comment**

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

EBO Signature: Susan Earle      Date: 4/14/2015 9:54:51 AM  
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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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	309	550	605	666	
<b>Total</b>		<b>-</b>	<b>309</b>	<b>550</b>	<b>605</b>	<b>666</b>
<b>Biennial Total</b>				<b>859</b>		<b>1,271</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	309	550	605	666	
<b>Total</b>		<b>-</b>	<b>309</b>	<b>550</b>	<b>605</b>	<b>666</b>
<b>Biennial Total</b>				<b>859</b>		<b>1,271</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>				<b>-</b>		<b>-</b>

### Bill Description

Section 1 of the bill amends Minnesota Statutes 2014, 2561.04, subdivision 1 to add eligibility criteria for the Group Residential Housing (GRH) program to allow people who are receiving crisis stabilization services in a supervised, licensed residential setting and who receive medical assistance to be presumed eligible for GRH.

No effective date is specified, this is interpreted as being effective July 1, 2015.

### Assumptions

This bill adds eligibility criteria for Group Residential Housing (GRH) to allow all people in licensed residential crisis stabilization services to be presumed eligible for GRH if they are receiving Medical Assistance (MA). It also allows people who are in a crisis residence to maintain their GRH housing payments in another setting. The bill also 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 primary fiscal impact of this section results from increased GRH payments due to expanding GRH eligibility to all people in crisis residential settings who receive MA.

Due to systems work necessary for implementation, the assumed effective date in this fiscal estimate is December 1, 2015. DHS has advised the bill's author regarding this implementation timeline and the author is amenable to amending the bill to align its effective date.

### 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.

State Fiscal Year	2011	2012	2013	2014
Number of MA recipients	1,555	1,926	1,805	1,981
Number of days paid by MA	10,717	12,474	12,879	14,355

Under this bill, GRH will pay for the days of stay for MA recipients in residential crisis services, so the total MA days from the table above is used as a proxy for the total number of days to be paid by GRH at the GRH housing rate of \$876 per month. In addition, we assume that total number of days will grow at 10% per year based on the actual growth rate from SFY11 to SFY14. GRH payment calculations will be based on the number of days and does not include the individual's income.

GRH Program	FY2016	FY2017	FY2018	FY2019
Number of GRH paid days in a year	17,370	19,107	21,017	23,119
Average GRH housing daily rate (\$876*12/365 days)	\$28.80	\$28.80	\$28.80	\$28.80
Phase-in	58%	100%	100%	100%
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Cost of expanding GRH eligibility	\$291,808	\$550,267	\$605,294	\$665,823

Systems changes would be required to implement the change in GRH. It is estimated that this change would be effective December 1, 2015. The delay is due to the need 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.

Note that the cumulative effect of all changes resulting from the legislative session will affect when this change can actually be completed. The Department will evaluate system changes and implementation dates for the omnibus package and will provide revised implementation dates based on the complete package.

Fiscal Tracking Summary (\$000s)						
Fund	BACT	Description	FY2016	FY2017	FY2018	FY2019
GF	25	Group Residential Housing Grants	292	550	605	666
GF	11	Finance & Management Operations (MAXIS)	17	0	0	0
		<b>Total Net Fiscal Impact</b>	<b>309</b>	<b>550</b>	<b>605</b>	<b>666</b>
		<b>Full Time Equivalents</b>				

### Long-Term Fiscal Considerations

This change is assumed to be ongoing.

**Local Fiscal Impact**

**References/Sources**

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