

Revised

Fiscal Note

2017-2018 Legislative Session

HF4030 - 0 - "Incr Rate Int Care Facility Dev Disability"

Chief Author: **John Petersburg**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/12/2018**
 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	-	-	350	382	382
Total	-	-	350	382	382
Biennial Total			350		764

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.

EBO Signature: Travis Bunch Date: 4/12/2018 10:27:43 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.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	350	382	382
Total	-	-	350	382	382
Biennial Total			350		764
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	350	382	382
Total	-	-	350	382	382
Biennial Total			350		764
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill would increase the payment rate of a class B, 16 bed Intermediate Care Facility for persons with Developmental Disabilities (ICF/DD) located in Steele County to \$400.00 per day.

Assumptions

1. Effective date: July 1, 2018
2. This bill would affect one facility whose current rate is \$188.40 per day. The amount of the increase is \$211.60 per day.
3. The average occupancy of the facility is projected at 68.8%.
4. The federal share of Medical Assistance costs is 50%. Counties pay 10% of the nonfederal share of costs of placements that exceed 90 days in Intermediate Care Facilities for persons with Developmental Disabilities of seven or more beds. As a result, the state share costs of this facility are 45% of the total cost.
5. FY2019 includes a 30-day payment delay to account for the fact that Medical Assistance pays for services retrospectively.
6. The proposed bill can be implemented within existing department administrative resources.

Expenditure and/or Revenue Formula

	FY 2019	FY 2020	FY 2021
Current Rate	\$ 188.40	\$ 188.40	\$ 188.40
Proposed Rate	\$ 400.00	\$ 400.00	\$ 400.00
Amount of increase	\$ 211.60	\$ 211.60	\$ 211.60
Licensed beds	16	16	16
Occupancy Factor (11 of 16)	68.8%	68.8%	68.8%
Days Per year	365	365	365
Payment Delay	92%	100%	100%
Total Costs	778,776	849,574	849,574

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Federal (50%)	389,388	424,787	424,787
State (45%)	350,449	382,308	382,308
County (5%)	38,939	42,479	42,479

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	33	MA LTC Facilities	0	350	382	382
		Total Net Fiscal Impact	0	350	382	382
		Full Time Equivalent	0	0	0	0

Long-Term Fiscal Considerations

There would be an ongoing annual cost to the state that is estimated to be \$382,000 per fiscal year

Local Fiscal Impact

Counties will have an ongoing cost of approximately \$42,000 per fiscal year.

References/Sources

ICF/DD Facility Rate File
DHS CSA Research and Analysis

Agency Contact:

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