

HF2741 - 0 - "Req. Report Legislature Medical Assistance"

Chief Author: **Duane Quam**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/11/2018**
 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)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	768	338	-	-
Total	-	-	768	338	-	-
Biennial Total			768			338

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	2	2	-
Total	-	-	2	2	-

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: 4/11/2018 12:45:52 PM
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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	-	-	-	768	338	-
Total	-	-	-	768	338	-
	Biennial Total			768		338
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	768	338	-
Total	-	-	-	768	338	-
	Biennial Total			768		338
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total			-		-

Bill Description

Paragraph (a) of this bill requires the Department of Human Services (DHS) to work with lead agencies to develop and administer a survey to all people applying for medical assistance (MA) or long-term service and supports (LTSS) between November 1, 2018 and May 31, 2019.

Paragraph (b) of this bill requires the Department of Human Services to submit a report to the legislature by November 1, 2019 on medical assistance applications and long-term services and supports applications.

Paragraph (c) of this bill requires the Department of Human Services to report findings and recommendations on features of the medical assistance application process, improvements, and efficiencies.

Assumptions

Customer Service Survey

Paragraph (a) requires DHS to work with lead agencies to develop a customer service survey for medical assistance applicants and long-term service and support applicants by October 1, 2018.

The survey must be offered to each individual applying between November 1, 2018 and May 31, 2019. Based on the number of medical assistance applications between November 1, 2016 and May 31, 2017, the number LTSS assessments performed during SFY 2017, and projected program growth, this survey is expected to be offered to about 370,000 people.

Since this survey must be provided to every applicant, this analysis assumes that a mailed paper copy would be sent to every individual. In addition, an online option would be provided. Finally, since many applicants may not be able to respond via written or online methods due to communication barriers or other disabilities, a sample of individuals will receive a survey via telephone, face-to-face, or via other communication alternative.

Developing, administering, and analyzing this survey will include the following costs in SFY 2019 and 2020:

- Developing the survey and translating it into at least three languages other than English: \$25,000
- Mailing a copy to each recipient (\$0.65/ mailing): \$240,500

- Administering the survey, data entry, cleaning and analyzing the data, and reporting: \$438,500
 - These costs assume a total response rate of about 16%. The average costs below are based on previous survey efforts.

	Average cost per completed survey	Estimated response rate
Mailing	\$8.00	5%
Online	\$2.00	10%
Telephone, face-to-face, or alternative communication device	\$ 45.00	1%

Application Process Review and Recommendations

Paragraph C requires the commissioner to report findings and recommendations about several aspects of the application process. This includes: a review of ways to increase efficiency, assessing training of lead agency staff, developing an expedited process for applicants receiving services in neighboring states, using technology to more efficiently administer the process, aligning requirements and developing unified points of intake for public assistance programs.

This will require an end-to-end assessment of the application processes, federal and state requirements, lead agency policies and practices, and policies of neighboring states. Developing this type of research and findings will require:

- A comprehensive review of existing policies and practices based on statute, federal requirements, public guidance documents, and training materials
- Analyzing assessment process data from various systems, including METS, MnCHOICES, SSIS, MMIS, MAXIS
- Consultation and expertise from DHS staff, MNIT, and lead agencies using tools like, structured interviews, focus groups, and process mapping
- Reviewing MA and long-term service and support policies of neighboring states compared to Minnesota
- Assessing systems involved in the application processes for potential efficiencies and opportunities to streamline processes

This is a highly technical and complex analysis that will span both state and lead agency processes. Based on other similarly complex research projects, it is estimated to cost about \$325,000 in SFY 2019 and \$85,000 in SFY 2020.

Staff: Many of these activities required by this bill may require a contractor because of the nature and short-term duration of the work. However, the Health Care Administration and the Continuing Care Administrations will each need one FTE to administer research, coordinate subject matter experts, facilitate collaborations with lead agencies, and organize presentations and reporting. The FTE costs assume a two month hiring delay in the first year and nine months in the second year, since this is a one-time project.

Systems: This bill will require IT work to design, develop, and implement a report that provides the information necessary on all MA and long-term service and support applicants in order to contact them and administer a survey.

Expenditure and/or Revenue Formula

	FY2019	FY2020
Survey Development and Administration	521,500	182,500
End-to-end analysis of the application process and recommendations for improvement	325,000	85,000
Two FTE	284,024	251,980
FFP (35%)	(395,684)	(181,818)
Systems	33,000	
Net State Costs	767,841	337,662

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	14	Continuing Care Administration for Older Adults		565	260	
GF	13	Health Care Administration		565	260	
GF	Rev 1	FFP at 35% for admin costs		(395)	(182)	
GF	11	Systems		33		
		Total Net Fiscal Impact		768	338	
		Full Time Equivalent		2.0	2.0	

Long-Term Fiscal Considerations

None.

Local Fiscal Impact

Lead agency staff would be asked for feedback and input into this process.

References/Sources

CSA Research and Analysis

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