

**HF1067 - 0 - Personal Care Assistance Program Modified**

Chief Author: **Jessica Hanson**  
 Committee: **Human Services Finance**  
 Date Completed: **3/12/2023 11:51:26 AM**  
 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	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	1,529	159	-	-	-
<b>Total</b>	-	<b>1,529</b>	<b>159</b>	-	-	-
<b>Biennial Total</b>			<b>1,688</b>			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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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	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	1,529	159	-	-	-
<b>Total</b>	-	<b>1,529</b>	<b>159</b>	-	-	-
<b>Biennial Total</b>			<b>1,688</b>			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	1,529	159	-	-	-
<b>Total</b>	-	<b>1,529</b>	<b>159</b>	-	-	-
<b>Biennial Total</b>			<b>1,688</b>			-
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

This bill changes the definition of “instrumental activities of daily living” (IADL) in the Personal Care Assistance (PCA) to include driving service recipients to medical appointments and to participate in the community.

**Assumptions**

Program impacted:

- Personal Care Assistance (PCA) provided through fee-for-service and managed care
- Extended Personal Care Assistance paid through the disability and Elderly Waiver programs
- Personal Care Assistance provided through the Alternative Care Program

Recipients: This provision is expected to primarily impact PCA participants who are not enrolled in an HCBS waiver or Alternative Care and who are over the age of 18. In FY 2022, around 40 percent of PCA participants were adults who were not enrolled in an HCBS waiver program or Alternative Care.

This provision is not expected to impact waiver participants or children because:

- HCBS waiver participants can already access waiver transportation under current law, so this provision will likely have a minimal impact on their service use.
- IADLs are not billable services for children under the age of 18, unless they receive a special exception. Therefore, this would be expected to have a minimal impact on their service use.

Service Impact: Defining driving as an IADL in the PCA program will make it a billable activity. Under current law and policy, a PCA worker may provision for the time they spend traveling with an individual but may not provision for transporting people receiving services. This estimate assumes that each participant will receive about an additional 30 minutes of service per week on average, which will increase their paid services by 2 percent.

PCA participants do not receive additional authorized time for IADLs, so this provision will not impact the amount of service authorized for people. Currently, about 80 percent of authorized services are paid for adults not accessing other waiver services. Therefore, this analysis assumes that participants will use more of their authorized service time.

Interaction with Non-Emergency Transportation Services: Medical Assistance pays for non-emergency transportation services to drive a person to medical appointments. Policy will be updated to clarify that these services cannot be provisioned if a PCA worker is provisioning for driving a person. This fiscal note does not assume a fiscal interaction between these services.

Interaction with Waiver Transportation: For HCBS waiver and Alternative Care recipients, waiver transportation can be used to drive to community activities. HCBS waiver participants can already access waiver transportation under current law, so this fiscal note does not assume any increased PCA use as a result of this bill.

Implementation & Payment Effect: This bill is effective July 1, 2023, or following federal approval, whichever is later. This fiscal note assumes that it would be implemented on January 1, 2024. An additional 30-day payment effect is included to account for the fact that fee-for-service Medical Assistance services are paid retrospectively and timing of managed care payments.

State Share: This fiscal note includes the weighted state share across personal care programs. The standard federal share for most personal care assistance is 51.49 percent provided through as a state plan or waiver service. The analysis also accounts for the impacts of certain MA eligibility groups that earn a higher federal match.

**Expenditure and/or Revenue Formula**

	2024	2025	2026
<b>Costs of including driving as IADL for PCA</b>			
Total annual expenditure of PCA FFS & MC (Feb 2023 Forecast)	985,936,474	42,492,165	0
State share	450,406,163	19,707,043	0
Percentage of adults who use PCA who are not enrolled in other HCBS waivers or AC	40.41%	40.41%	40.41%
Estimated percentage of increase in spending as a result of PCAs billing for driving service recipients	2%	2%	2%
State cost of adding driving as IADL	3,640,183	159,272	-
Implementation & payment effect	42%	100%	
<b>Net state MA impact</b>	<b>1,528,877</b>	<b>159,272</b>	<b>-</b>

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2022	FY2023	FY2024	FY2025
GF	33	MA LW	1,147	119	0	0
GF	33	MA ED	367	38	0	0
GF	33	AC	15	2	0	0
		<b>Total Net Fiscal Impact</b>	<b>1,529</b>	<b>159</b>	<b>0</b>	<b>0</b>
		<b>Full Time Equivalents</b>				

**Long-Term Fiscal Considerations**

The Personal Care Assistance Program is expected to begin transitioning to Community First Services and Supports (CFSS) in fall of 2022, therefore, there are no long-term fiscal considerations.

**Local Fiscal Impact**

**References/Sources**

February 2023 Forecast

ADSA Research

**Agency Contact:**

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