

HF256 - 0 - Recuperative Health Home Model

Chief Author: **Kelly Morrison**
 Committee: **Human Services Finance and Policy**
 Date Completed: **3/1/2021 10:20:56 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	FY2021	FY2022	FY2023	FY2024
General Fund	-	83	120	-	-
Total	-	83	120	-	-
Biennial Total			203		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	1	1	-	-
Total	-	1	1	-	-

LBO Analyst's Comment

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

LBO Signature: Steve McDaniel **Date:** 3/1/2021 10:20:56 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		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	83	120	-	-	-
Total	-	83	120	-	-	-
Biennial Total			203			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	83	120	-	-	-
Total	-	83	120	-	-	-
Biennial Total			203			-
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill directs the Department of Human Services (DHS) to seek federal grant funding to develop a recuperative health home model designed to serve individuals without a permanent place of residence when being discharged from a hospital and meeting the definition of chronic conditions in 42 USC § 1396W-4(h).

Assumptions

This fiscal note assumes that DHS will apply for grant funding available through the Centers for Medicare and Medicaid Services (CMS) for the purpose of planning health home programs authorized under Section 2703 of the Affordable Care Act. It is assumed that DHS is able to apply for this grant within its current administrative capacity. If CMS awards funding to DHS for this purpose, DHS will utilize those funds to support any necessary investment to complete the planning described in this bill. If CMS does not award funds to DHS for this purpose, it is assumed that DHS will take no further action and will not undertake planning activities.

In order to complete modeling and development sufficient to submit a State Plan Amendment, DHS must undertake the following activities:

- Develop eligibility requirements
- Develop service design
- Develop service rates
- Develop provider standards
- Establish quality measures
- Engage possible providers and enrollees via training and consultation

It is assumed that the development of eligibility requirements, service design, service rates, and provider standards will require DHS to hire a temporary MAPE 17 FTE for two years to complete this work in-house. It is assumed the FTE will start in September of 2021. In addition to salary costs of \$61,466 in FY2022 and \$81,954 ongoing, this fiscal note assumes fringe benefits at 30% of salary costs and overhead of \$15,150 upfront costs and \$1,275 per month per ongoing.

Additionally, DHS will need to contract with a vendor for provider and enrollee outreach and engagement. It is assumed these contracts will cost approximately \$175,000 and span two fiscal years.

Federal planning grants require a state share of 50% under the Sec. 1945(c)(3) of the Social Security Act. Therefore, this fiscal note assumes that state expenditures are 50% of the total costs.

This bill does not provide sufficient authority to implement any resulting recuperative health home model and therefore this fiscal note does not assess the potential cost of implementing that program.

Expenditure and/or Revenue Formula

	FY2022	FY2023
HCA FTE	107	122
HCA Contract	58	117
Total	165	239
State Share (50%)	83	120

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2022	FY2023	FY2024	FY2025
GF	13	HCA FTE (1,1,0,0)	54	61		
GF	13	HCA Admin (Contract)	29	59		
		Total Net Fiscal Impact	83	120		
		Full Time Equivalents	1	1		

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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