

Revised

Fiscal Note

2015-2016 Legislative Session

HF3026 - 0 - "Chemical Dependency Treatment Payment"

Chief Author: **Dave Baker**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/11/2016**
 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	-	-	5,793	5,916	6,046	
Total	-	-	5,793	5,916	6,046	
Biennial Total			5,793		11,962	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
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: Ahna Minge Date: 4/11/2016 4:25:16 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		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	5,793	5,916	6,046	
Total	-	-	5,793	5,916	6,046	
Biennial Total			5,793		11,962	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	5,793	5,916	6,046	
Total	-	-	5,793	5,916	6,046	
Biennial Total			5,793		11,962	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

Section one of the bill amends Minnesota Statute 254B.03, subdivision 4, to change the percentage of county shared responsibility for chemical dependency services for publically funded clients who are not on Medical Assistance from 22.95 percent to 15 percent. This section also changes the counties share of the states collection from a private or third party payment from 22.9 percent to 15, if they have paid a portion of the costs.

Section two amends MS § 254B.04, subd. 2a by adding a sentence which specifies that a programs status under federal Medicaid rules as an institute for mental disease shall not be a consideration in placement decisions.

Section three amends Minnesota Statute 254B.06, subdivision 2, to change the percentage of collected patient and third party payments allocated to the special revenue account from 77.05 percent to 85 percent, and reimbursed to the county financially responsible for the patient from 22.95 percent to 15 percent.

Section four amends MS § 254B.06 by adding a subdivision which prohibits the commissioner of human services from denying payment to a program classified under federal Medicaid rules as an institute for mental disease.

Assumptions

- 1) This analysis is based on actual payments by the state and counties to chemical dependency service providers. Projections are trended forward based on forecasted enrollment changes by medical assistance (MA) eligibility category in the February 2016 Consolidated Chemical Dependency Treatment Fund (CCDTF) Forecast.
- 2) This analysis assumes an effective date of July 1, 2016.
- 3) The proposal affects the county and state shares for non-MA clients and MA clients placed in institutions for mental diseases (IMDs). In both cases, the county share will be reduced from 22.95% to 15%, and the state share will increase from 77.05% to 85%. The proposal changes any collections from private or third-parties distributed back to the county from 22.95% to 15% and to the state from 77.05% to 85%.
- 4) Sections two and four have no fiscal impact. A substance use disorder treatment programs status as an IMD does not impact its ability to accept clients for treatment or receive reimbursement through the CCDTF.
- 5) This proposal does not affect other eligibility groups.

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Current Law

	MA-Adults w/o Children	MA-Families w/Children	Non-MA	IMD
County Share	0%	15%	22.95%	22.95%
State Share	0%	35%	77.05%	77.05%
Federal Share	100%	50%	0%	0%

Proposed Change

	MA-Adults w/o Children	MA-Families w/Children	Non-MA	IMD
County Share	0%	15%	15%	15%
State Share	0%	35%	85%	85%
Federal Share	100%	50%	0%	0%

6) Systems work will be necessary to change the percentages in the payment system in the Minnesota Medicaid Information System (MMIS).

Expenditure and/or Revenue Formula

State Share Calculation

	Projected CD Fund Payments (Currently subject to 22.95% County Share)	County Share @ 22.95%	County Share @ 15.0%	Reduction in County Share = State Share Cost
FY 2016	\$62,035,781	\$14,237,212	\$9,305,367	
FY 2017	72,850,366	16,719,159	10,927,555	\$5,791,604
FY 2018	74,413,853	17,077,979	11,162,078	\$5,915,901
FY 2019	76,056,027	17,454,858	11,408,404	\$6,046,454

Systems Costs

Staff Resource	Estimated Hours	Hourly Rate	Total Cost	State Share Cost (29% of total cost)
Business Analysis	32	\$61.19	\$1,958.08	\$567.84
Developers	16	\$83.75	\$1,340.00	\$388.60
QA Testing	16	\$66.14	\$1,058.24	\$306.89

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Staff Resource	Estimated Hours	Hourly Rate	Total Cost	State Share Cost (29% of total cost)
Project Management	0	\$61.84	\$0	\$0.00
Release Management	8	\$66.14	\$529.12	\$153.44
TOTALS	72		\$4,885.44	\$1,416.78

Fiscal Summary (\$000s)						
Description	Fund	BACT	FY2016	FY2017	FY2018	FY2019
CCDTF State Share	GF	35	0	5,792	5,916	6,046
Systems MMIS (state share @ 29%)	GF	11	0	1	0	0
Total Net Fiscal Impact				5,793	5,916	6,046
Full Time Equivalents			0	0	0	0

Long-Term Fiscal Considerations

The projected state cost (\$6.05M in 2019) is assumed to be on-going.

Local Fiscal Impact

This proposal will reduce costs for counties by reducing the county share of chemical dependency services provided to non-MA clients and MA clients placed in IMDs. The savings to counties are equal to the increased cost to the state.

References/Sources

DHS February, 2016 Forecast

CSA Research and Analysis

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