HB

H38

FISCAL NOTE

No. 6

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Bill Version: CSHB 438(FIN)

BILL NO. : (H) Publish Date: 4-29-92

Revision Date: 4/28/92 Department Affected: Health and Social Services

Title: An Act relating to Medicaid eligibility of persons who are eligible to be institutionalized ... BRU: Medical Assistance

Component: PFD Hold Harmless

Sponsor: Representative Ellis

Requestor: House Finance **COMPONENT SERIAL NO.**

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	2.9	5.8	9.2
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	2.9	5.8	9.2
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE:	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUNDS	0	0	0	2.9	5.8	9.2
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	2.9	5.8	9.2

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Includes estimated 6 percent annual inflation. The cost of operating waivers are currently considered in legislative budget documents. The waiver costs shown in attached budget amendment summary page would have to be added to this fiscal note if dropped from the legislative budget. See attached analysis for additional information.

Prepared by: Co-Chair Eileen MacLean / Co-Chair Mike Navarre Phone: 465-4833 / 465-3779

Division: House Finance Committee Date: 4/29/92

Approved by Commissioner: _____

Agency: _____ Date: _____

Distribution (by Preparer: Leg. Fin., Legislative Sponsor, Requestor,OMB/DBR,Gov.Legis. Ofc., & Impacted Agency(ies)

COMMITTEE COPY

no.
4-29-92

NOTES TO FISCAL NOTE FOR HCS HB 438 (FIN)

HCS HB 438 (Fin) directs the Department of Health and Social Services to seek Medicaid home and community-based waivers and to implement the TEFRA option 2 years after the waiver for children becomes effective. Both the waiver and the option would extend Medicaid coverage to some people not currently eligible for Medicaid.

The cost of seeking and operating Medicaid waivers is not included in this fiscal note. HB 504 currently includes funding for the Division of Medicaid Assistance to seek waivers under the listings of Medical Assistance - Medicaid State Programs, and Medical Assistance Administration - Certification and Licensing and Claims Processing. **If funding for waivers is not included in the operating budget, the cost of implementing HCS HB 438 (Fin) will be substantially greater than estimated by this fiscal note.** The attached budget amendment summary page shows the additional funding required in FY 93 to seek waivers. Table 1 shows the cost of services under waivers for children and the TEFRA option.

Medical Assistance -- Medicaid Non-Facility, PFD Hold Harmless

We assume that all individuals eligible for the TEFRA option will be receive waiver services except that, under the TEFRA option, we assume an additional growth factor in TEFRA recipients of 2 percent per year due to contested level of care determinations lost on appeal. While it is not the intention of the Division to lower the criteria for eligibility to institutional care, it is probable that some appeals will be lost. The experience of other states with appeals varies widely; the cost of the TEFRA option could be greater depending on Alaska's actual experiences with appeals.

The resulting difference in the cost of services with a TEFRA option is in the TEFRA subtotal of Table 1. Medicaid Non-Facility component is estimated to be 97 percent of this amount. The Permanent Fund Dividend Hold Harmless component is assumed to account for 3 percent of the cost of services.

Medical Assistance Administration -- Office of Hearings and Appeals

The Division estimates that one additional hearing officer will be required beginning in FY 96, to handle the increase in hearings and appeals associated with the TEFRA option.

Additional background information on this fiscal note is available upon request from the Division of Medical Assistance.

	Medicaid State Programs						Claims Processing					Certification and Licensing						Program Totals		
	OAC	DMHDD	OTHER	TOTAL	SGF	FED		OTHER	TOTAL	SGF	FED				TOTAL	SGF	FED	TOTAL	SGF	FED
100 PERSONAL SERVICES	HPSII	HPSII					HPSI					HSPII	HPSI	AT						
% of Year	100%	100%					50%					75%	25%	25%						
	040	027		1275	038	038	278		278	138	138	471	136	105	714	357	357	2264	1132	1132
	--	--		--	--	--	--		--	--	--	--	--	--	--	--	--	--	--	--
200 TRAVEL																				
In-state, @ $100 per trip	24	24		48	24	24	16		16	08	08	24	08	08	40	20	20	104	52	52
Out-of-state, @ $2,000 per trip	20	20		40	20	20	20		20	10	10	20	00	00	20	10	10	80	40	40
Waiver Development Conference	100	100		200	100	100												200	100	100
MMIS--Training Costs								140	140	35	105							140	35	105
MMIS--Acceptance Testing								100	100	25	75							100	25	75
Total	144	144		288	144	144	36	240	276	78	198	44	08	08	60	30	30	624	252	372
	--	--		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
300 CONTRACTUAL																				
Communications	18	18		36	18	18	09		09	05	04	28	07	05	40	20	20	85	42	
Printing and Advertising	01	01		02	01	01	01		01	00	01	01	00	00	01	01	01	04	02	
Repairs and Maintenance	01	01		02	01	01	01		01	01	00	01	00	00	01	01	01	04	03	01
Office Space Rental	00	00		00	00	00	00		00	00	00	00	00	00	00	00	00	00	00	00
Equipment Rental	03	03		06	03	03	02		02	01	01	02	01	01	04	02	02	11	06	06
MMIS--New Categories of Service								1950	1950	488	1463							1950	488	1463
MMIS--Change or Add Edits								210	210	53	158							210	53	158
MMIS--New Reports								572	572	143	429							572	143	429
Transition Funding			2000	2000	2000	00												2000	2000	00
Other	23	23		46	23	23	02		02	01	01	02	01	01	04	02	02	51	26	26
Total	46	46	2000	2092	2046	46	13	2732	2745	690	2055	34	09	07	50	25	25	4867	2781	2126
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
400 SUPPLIES	06	06		12	06	06	03		03	02	02	05	02	02	09	04	05	24	12	13
	--	--		--	--	--	--		--	--	--	--	--	--	--	--	--	--	--	--
500 EQUIPMENT																				
Micro computer, monitor, NIC	00	35		35	18	20	35		35	18	18	35	35	35	105	53	53	175	88	88
Software	05	16		21	11	11	16		16	08	08	16	16	16	48	24	24	85	43	43
Desk and Chair	00	00		00	05	05	10		10	05	05	10	10	10	30	15	15	40	25	25
Total	05	60		65	33	33	61		61	31	31	61	61	61	183	92	92	309	156	155
	--	--		--	--	--	--		--	--	--	--	--	--	--	--	--	--	--	--
TOTAL	040	003	2000	3732	2006	800	388	2972	3361	838	2423	615	218	183	1016	508	508	6108	4312	3797
	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====

Position Summary	Title	Range	Start Date
Medicaid State Programs			
OAC	Health Program Spec II	19D	7/1/92
DMH DD	Health Program Spec II	19A	7/1/92
Claims Processing	Health Program Spec I	17A	1/1/93
Certification and Licensing	Health Program Spec I	17A	4/1/93
	Accounting Technician I	12A	4/1/93
	Health Program Spec II	19A	10/1/92

C5 ADDITIONAL EXPLANATION FORM

AGENCY Health & Social Services

BRU Medical Assistance Administration

COMPONENT Claims Processing 243

Revised Date: 2/21/92

FY 93

3d

TABLE 1
ESTIMATED COST OF SERVICE FOR CHILDREN UNDER HCS HB438 (FIN)
ADJUSTED FOR INFLATION
(ADMINISTRATIVE COST NOT INCLUDED)
FY 93 – FY 98

	TOTAL COSTS						STATE GENERAL FUNDS					
Inflation Factor @ 6%	1.00	1.06	1.12	1.19	1.26	1.34	1.00	1.06	1.12	1.19	1.26	1.34
CHILDREN'S WAIVERS	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children (at end of year)	0	52	96	108	122	137						
Medicaid Facility												
Institutional Care Offset	0	(450,283)	(1,358,468)	(1,945,914)	(2,320,503)	(2,767,199)	0	(231,896)	(699,611)	(1,002,146)	(1,195,059)	(1,425,108)
Medicaid Nonfacility												
Home & Community–Based Svcs Cost	0	1,008,646	3,043,009	4,358,904	5,197,993	6,198,607	0	519,453	1,567,149	2,244,836	2,676,967	3,192,[illegible]3
Other Program Cost	0	578,297	1,744,676	2,499,131	2,980,214	3,553,905	0	297,823	898,508	1,287,052	1,534,810	1,830,261
Other Medicaid Offset	0	(18,713)	(56,457)	(80,870)	(96,438)	(115,002)	0	(9,637)	(29,075)	(41,648)	(49,666)	(59,226)
Subtotal	0	1,568,230	4,731,228	6,777,165	8,081,769	9,637,509	0	807,638	2,436,583	3,490,240	4,162,111	4,963,317
TOTAL MEDICAID	0	1,117,947	3,372,760	4,831,251	5,761,266	6,870,310	0	575,743	1,736,971	2,488,094	2,967,052	3,538,210
DPA	0	0	0	0	0	0	0	0	0	0	0	0
DMHDD	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)
TOTAL	0	904,340	2,728,325	3,908,142	4,660,459	5,557,597	0	362,136	1,092,537	1,564,985	1,866,245	2,225,497
TEFRA OPTION	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children on Option	0	65	73	67	77	88						
Percent of Year TEFRA offered	0	0	0	1	1	1						
Medicaid Nonfacility												
Home Based Services (@$7649)	0	0	0	610,375	743,565	900,776	0	0	0	314,343	382,936	46[illegible]9
Other Medicaid Services @41966*50/65	0	0	0	2,576,005	3,138,112	3,801,598	0	0	0	1,326,642	1,616,128	1,9[illegible]3
Medicaid Subtotal	0	0	0	3,186,380	3,881,677	4,702,374	0	0	0	1,640,986	1,999,063	2,421,723
Duplicated Waiver Expenditures												
Home Based Services (7649/waiver$)	0	0	0	592,155	706,145	842,078	0	0	0	304,960	363,665	433,670
Other Medicaid Services	0	0	0	2,499,131	2,980,214	3,553,905	0	0	0	1,287,052	1,534,810	1,830,261
Waiver Subtotal	0	0	0	3,091,286	3,686,359	4,395,983	0	0	0	1,592,012	1,898,475	2,263,931
Spending on TEFRA Option Less Waiver Expenditures												
Home Based Services	0	0	0	16,220	37,420	58,698	0	0	0	9,383	19,271	30,229
Other Medicaid Services	0	0	0	76,874	157,898	247,694	0	0	0	39,590	81,318	127,562
TEFRA Subtotal	0	0	0	95,094	195,318	306,391	0	0	0	48,973	100,589	157,791
TOTAL SERVICE COST -- WAIVER AND OPTION	0	904,340	2,728,325	4,003,236	4,855,777	5,863,988	0	362,136	1,092,537	1,613,958	1,966,834	2,383,288

FISCAL NOTE No. 5

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. Bill Version: CSHB 438(FIN)
(H) Publish Date: 4-29-92

Revision Date: 4/28/92 Department Affected: Health and Social Services

Title: An Act relating to Medicaid eligibility of persons who are eligible to be institutionalized ... BRU: Medical Assistance Administration

Component: Office of Hearing and Appeals

Sponsor: Representative Ellis

Requestor: House Finance COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	84.0	89.0	94.3
TRAVEL	0	0	0	2.1	2.3	2.4
CONTRACTUAL	0	0	0	7.7	8.2	8.7
SUPPLIES	0	0	0	0.7	0.8	0.8
EQUIPMENT	0	0	0	7.3	0.6	0.7
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	101.8	100.9	106.9
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE:	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUNDS	0	0	0	50.9	50.5	53.5
FEDERAL FUNDS	0	0	0	50.9	50.4	53.4
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	101.8	100.9	106.9

POSITIONS:

FULL-TIME	0	0	0	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Includes estimated 6 percent annual inflation. There is a one-time cost of $7.1 in FY 96 (3.6 GF). The cost of operating waivers are currently considered in legislative budget documents. The waiver costs shown in the attached budget amendment summary page would have to be added to this fiscal note if dropped from the legislative budget. See attached analysis for additional information.

Prepared by: /Co-Chair Eileen MacLean Co-Chair Mike Navarre Phone: 465-4833 465-3779

Division: House Finance Committee Date: 4/28/92

Approved by Commissioner:

Agency: Date:

Distribution (by Preparer: Leg. Fin., Legislative Sponsor, Requestor,OMB/DBR,Gov.Legis. Ofc., & Impacted Agency(ies)

Rev 10/7/91 **COMMITTEE COPY** Page 3 of 3

no.5
4-29-92

NOTES TO FISCAL NOTE FOR HCS HB 432 (FIN)

HCS HB 438 (Fin) directs the Department of Health and Social Services to seek Medicaid home and community-based waivers and to implement the TEFRA option 2 years after the waiver for children becomes effective. Both the waiver and the option would extend Medicaid coverage to some people not currently eligible for Medicaid.

The cost of seeking and operating Medicaid waivers is not included in this fiscal note. HB 504 currently includes funding for the Division of Medicaid Assistance to seek waivers under the listings of Medical Assistance - Medicaid State Programs, and Medical Assistance Administration - Certification and Licensing and Claims Processing. **If funding for waivers is not included in the operating budget, the cost of implementing HCS HB 438 (Fin) will be substantially greater than estimated by this fiscal note.** The attached budget amendment summary page shows the additional funding required in FY 93 to seek waivers. Table 1 shows the cost of services under waivers for children and the TEFRA option.

Medical Assistance -- Medicaid Non-Facility, PFD Hold Harmless

We assume that all individuals eligible for the TEFRA option will be receive waiver services except that, under the TEFRA option, we assume an additional growth factor in TEFRA recipients of 2 percent per year due to contested level of care determinations lost on appeal. While it is not the intention of the Division to lower the criteria for eligibility to institutional care, it is probable that some appeals will be lost. The experience of other states with appeals varies widely; the cost of the TEFRA option could be greater depending on Alaska's actual experiences with appeals.

The resulting difference in the cost of services with a TEFRA option is in the TEFRA subtotal of Table 1. Medicaid Non-Facility component is estimated to be 97 percent of this amount. The Permanent Fund Dividend Hold Harmless component is assumed to account for 3 percent of the cost of services.

Medical Assistance Administration -- Office of Hearings and Appeals

The Division estimates that one additional hearing officer will be required beginning in FY 96, to handle the increase in hearings and appeals associated with the TEFRA option.

Additional background information on this fiscal note is available upon request from the Division of Medical Assistance.

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	Medicaid State Programs						Claims Processing					Certification and Licensing						Program Totals		
	OAC	DMI100	OTHER	TOTAL	SGF	FED	OTHER	TOTAL	SGF	FED		HSPII	HPSI	AT	TOTAL	SGF	FED	TOTAL	SGF	FED
100 PERSONAL SERVICES	HPSII	HPSII					HPSI					HSPII	HPSI	AT						
% of Year	100%	100%					50%					75%	25%	25%						
	04.0	02.7		12.75	03.8	03.8	27.8		27.6	13.8	13.8	47.1	13.8	10.5	71.4	35.7	35.7	228.4	113.2	113.2
	**	**		**	**	**	**		**	**	**	**	**	**	**	**	**	**	**	**
200 TRAVEL																				
In-state, @ $100 per trip	2.4	2.4		4.8	2.4	2.4	1.6		1.6	0.8	0.8	2.4	0.8	0.8	4.0	2.0	2.0	10.4	5.2	5.2
Out-of-state, @ $2,000 per trip	2.0	2.0		4.0	2.0	2.0	2.0		2.0	1.0	1.0	2.0	0.0	0.0	2.0	1.0	1.0	8.0	4.0	4.0
Waiver Development Conference	10.0	10.0		20.0	10.0	10.0												20.0	10.0	10.0
MMIS--Training Costs								14.0	14.0	3.5	10.5							14.0	3.5	10.5
MMIS--Acceptance Testing								10.0	10.0	2.5	7.5							10.0	2.5	7.5
Total	14.4	14.4		28.8	14.4	14.4	3.6	24.0	27.6	7.8	19.8	4.4	0.8	0.8	6.0	3.0	3.0	62.4	25.2	37.2
	**	**		**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**
300 CONTRACTUAL																				
Communications	1.8	1.8		3.6	1.8	1.8	0.9		0.9	0.5	0.4	2.8	0.7	0.5	4.0	2.0	2.0	8.5	4.2	4.3
Printing and Advertising	0.1	0.1		0.2	0.1	0.1	0.1		0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.2	0.3
Repairs and Maintenance	0.1	0.1		0.2	0.1	0.1	0.1		0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.3	0.2
Office Space Rental	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment Rental	0.3	0.3		0.6	0.3	0.3	0.2		0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	1.1	0.6	0.8
MMIS--New Categories of Service								19.5	10.5	4.8.8	14.6.3							19.5	4.8.8	14.6.3
MMIS--Change or Add Edits								21.0	21.0	5.3	15.8							21.0	5.3	15.8
MMIS--New Reports								57.2	57.2	14.3	42.9							57.2	14.3	42.8
Transition Funding			20.0.0	20.0.0	20.0.0	0.0												20.0.0	20.0.0	0.0
Other	2.3	2.3		4.6	2.3	2.3	0.2		0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	5.1	2.6	2.6
Total	4.6	4.6	20.0.0	20.9.2	20.4.6	4.6	1.3	27.3.2	27.4.5	6.9.0	20.5.5	3.4	0.9	0.7	5.0	2.5	2.5	48.8.7	27.8.1	21.2.6
	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**	**
400 SUPPLIES	0.6	0.6		1.2	0.6	0.6	0.3		0.3	0.2	0.2	0.5	0.2	0.2	0.9	0.4	0.5	2.4	1.2	1.3
	**	**		**	**	**	**		**	**	**	**	**	**	**	**	**	**	**	**
500 EQUIPMENT																				
Micro computer, monitor, NIC	0.0	3.5		3.5	1.8	1.8	3.5		3.5	1.8	1.8	3.5	3.5	3.5	10.5	5.3	5.3	17.5	8.8	8.8
Software	0.5	1.6		2.1	1.1	1.1	1.6		1.6	0.8	0.8	1.6	1.6	1.6	4.8	2.4	2.4	8.5	4.3	4.3
Desk and Chair	0.0	0.9		0.9	0.5	0.5	1.0		1.0	0.5	0.5	1.0	1.0	1.0	3.0	1.5	1.5	4.9	2.5	2.5
Total	0.5	6.0		6.5	3.3	3.3	6.1		6.1	3.1	3.1	6.1	6.1	6.1	18.3	9.2	9.2	30.9	15.5	15.5
	**	**		**	**	**	**		**	**	**	**	**	**	**	**	**	**	**	**
TOTAL	04.0	08.3	20.0.0	37.3.2	20.0.6	8.0.0	38.9	29.7.2	33.0.1	9.3.6	24.2.3	6.1.5	2.1.8	1.8.3	10.1.6	5.0.8	5.0.8	81.0.8	43.1.2	37.9.7
	****	****	****	****	****	****	****	****	****	****	****	****	****	****	****	****	****	****	****	****

Position Summary	Title	Range	Start Date
Medicaid State Programs			
OAC	Health Program Spec II	19B	7/1/92
DMI100	Health Program Spec II	19A	7/1/92
Claims Processing	Health Program Spec I	17A	1/1/93
Certification and Licensing	Health Program Spec I	17A	4/1/93
	Accounting Technician I	12A	4/1/93
	Health Program Spec II	19A	10/1/92

C5 ADDITIONAL EXPLANATION FORM

AGENCY Health & Social Services

BRU Medical Assistance Administration

COMPONENT Claims Processing 243

Revised Date: 2/25/92

FY 93

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TABLE 1
ESTIMATED COST OF SERVICE FOR CHILDREN UNDER HCS HB438 (FIN)
ADJUSTED FOR INFLATION
(ADMINISTRATIVE COST NOT INCLUDED)
FY 93 – FY 98

	TOTAL COSTS						STATE GENERAL FUNDS					
Inflation Factor @ 6%	1.00	1.06	1.12	1.19	1.26	1.34	1.00	1.06	1.12	1.19	1.26	1.34
CHILDREN'S WAIVERS	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children (at end of year)	0	52	96	108	122	137						
Medicaid Facility												
Institutional Care Offset	0	(450,283)	(1,358,468)	(1,945,914)	(2,320,503)	(2,767,199)	0	(231,896)	(699,611)	(1,002,146)	(1,195,059)	(1,425,108)
Medicaid Nonfacility												
Home & Community–Based Svcs Cost	0	1,008,646	3,043,009	4,358,904	5,197,993	6,198,607	0	519,453	1,567,149	2,244,836	2,676,967	3,192,283
Other Program Cost	0	573,297	1,744,676	2,499,131	2,980,214	3,553,905	0	297,823	898,508	1,287,052	1,534,810	1,830,261
Other Medicaid Offset	0	(18,713)	(56,457)	(80,870)	(96,438)	(115,002)	0	(9,637)	(29,075)	(41,648)	(49,665)	(59,226)
Subtotal	0	1,568,230	4,731,228	6,777,165	8,081,769	9,637,509	0	807,638	2,436,583	3,490,240	4,162,111	4,963,317
TOTAL MEDICAID	0	1,117,947	3,372,760	4,831,251	5,761,266	6,870,310	0	575,743	1,736,971	2,488,094	2,967,052	3,538,210
DPA	0	0	0	0	0	0	0	0	0	0	0	0
DMHDD	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)
TOTAL	0	904,340	2,728,325	3,908,142	4,660,459	5,557,597	0	362,136	1,092,537	1,564,985	1,866,245	2,225,497
TEFRA OPTION	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children on Option	0	65	73	67	77	88						
Percent of Year TEFRA offered	0	0	0	1	1	1						
Medicaid Nonfacility												
Home Based Services (@$7649)	0	0	0	610,375	743,565	900,776	0	0	0	314,343	382,936	46[illegible]79
Other Medicaid Services @41966*50/65	0	0	0	2,576,005	3,138,112	3,801,598	0	0	0	1,326,642	1,616,128	1,9[illegible].3
Medicaid Subtotal	0	0	0	3,186,380	3,881,677	4,702,374	0	0	0	1,640,986	1,999,063	2,421,723
Duplicated Waiver Expenditures												
Home Based Services (7649/waiver$)	0	0	0	592,155	706,145	842,078	0	0	0	304,960	363,665	433,670
Other Medicaid Services	0	0	0	2,499,131	2,980,214	3,553,905	0	0	0	1,287,052	1,534,810	1,830,261
Waiver Subtotal	0	0	0	3,091,286	3,686,359	4,395,983	0	0	0	1,592,012	1,898,475	2,263,931
Spending on TEFRA Option Less Waiver Expenditures												
Home Based Services	0	0	0	18,220	37,420	58,698	0	0	0	9,383	19,271	30,229
Other Medicaid Services	0	0	0	76,874	157,898	247,694	0	0	0	39,590	81,318	127,562
TEFRA Subtotal	0	0	0	95,094	195,318	306,391	0	0	0	48,973	100,589	157,791
TOTAL SERVICE COST -- WAIVER AND OPTION	0	904,340	2,728,325	4,003,236	4,855,777	5,863,988	0	362,136	1,092,537	1,613,958	1,966,834	2,383,288

COMMITTEE COPY

No. 5

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE No. 4
Bill Version: CSHB 438(FIN)
BILL NO. (H) Publish Date: 4-29-92

Revision Date: 4/28/92 Department Affected: Health and Social Services
Title: An Act relating to Medicaid eligibility of persons who are eligible to be institutionalized ... BRU: Medical Assistance
Component: Medicaid Non-Facility
Sponsor: Representative Ellis
Requestor: House Finance **COMPONENT SERIAL NO.**

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	92.1	189.1	297.6
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	92.1	189.1	297.6
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE:	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUNDS	0	0	0	46.1	94.6	48.8
FEDERAL FUNDS	0	0	0	46.0	94.5	148.8
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	92.1	189.1	297.6

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)
Includes estimated 6 percent annual inflation. The cost of operating waivers are currently considered in legislative budget documents. The waiver costs shown in the attached budget amendment summary page would have to be added to this fiscal note if dropped from the legislative budget. See attached analysis for additional information.

Prepared by: Co-Chair Eileen MacLean / Co-Chair Mike Navarre Phone: 465-4833 / 465-3779
Division: House Finance Committee Date: 4/28/92

Approved by Commissioner:
Agency: Date:

Distribution (by Preparer: Leg. Fin., Legislative Sponsor, Requestor,OMB/DBR,Gov.Legis. Ofc., & Impacted Agency(ies)

Rev 10/7/91

COMMITTEE COPY

no.
4-29-92

NOTES TO FISCAL NOTE FOR HCS HB 438 (FIN)

HCS HB 438 (Fin) directs the Department of Health and Social Services to seek Medicaid home and community-based waivers and to implement the TEFRA option 2 years after the waiver for children becomes effective. Both the waiver and the option would extend Medicaid coverage to some people not currently eligible for Medicaid.

The cost of seeking and operating Medicaid waivers is not included in this fiscal note. HB 504 currently includes funding for the Division of Medicaid Assistance to seek waivers under the listings of Medical Assistance - Medicaid State Programs, and Medical Assistance Administration - Certification and Licensing and Claims Processing. **If funding for waivers is not included in the operating budget, the cost of implementing HCS HB 438 (Fin) will be substantially greater than estimated by this fiscal note.** The attached budget amendment summary page shows the additional funding required in FY 93 to seek waivers. Table 1 shows the cost of services under waivers for children and the TEFRA option.

Medical Assistance -- Medicaid Non-Facility, PFD Hold Harmless

We assume that all individuals eligible for the TEFRA option will be receive waiver services except that, under the TEFRA option, we assume an additional growth factor in TEFRA recipients of 2 percent per year due to contested level of care determinations lost on appeal. While it is not the intention of the Division to lower the criteria for eligibility to institutional care, it is probable that some appeals will be lost. The experience of other states with appeals varies widely; the cost of the TEFRA option could be greater depending on Alaska's actual experiences with appeals.

The resulting difference in the cost of services with a TEFRA option is in the TEFRA subtotal of Table 1. Medicaid Non-Facility component is estimated to be 97 percent of this amount. The Permanent Fund Dividend Hold Harmless component is assumed to account for 3 percent of the cost of services.

Medical Assistance Administration -- Office of Hearings and Appeals

The Division estimates that one additional hearing officer will be required beginning in FY 96, to handle the increase in hearings and appeals associated with the TEFRA option.

Additional background information on this fiscal note is available upon request from the Division of Medical Assistance.

	Medicaid State Programs						Claims Processing					Certification and Licensing						Program Totals		
	OAC	DMHDD	OTHER	TOTAL	SGF	FED		OTHER	TOTAL	SGF	FED				TOTAL	SGF	FED	TOTAL	SGF	FED
100 PERSONAL SERVICES	HPSII	HPSII					HPSI					HSPII	HPSI	AT						
% of Year	100%	100%					50%					75%	25%	25%						
	64.0	62.7		127.5	63.8	63.8	27.6		27.6	13.8	13.8	47.1	13.8	10.5	71.4	35.7	35.7	226.4	113.2	113.2
	==	==		==	==	==	==		==	==	==	==	==	==	==	==	==	==	==	==
200 TRAVEL																				
In-state, @ $100 per trip	2.4	2.4		4.8	2.4	2.4	1.8		1.8	0.8	0.8	2.4	0.8	0.8	4.0	2.0	2.0	10.4	5.2	5.2
Out-of-state, @ $2,000 per trip	2.0	2.0		4.0	2.0	2.0	2.0		2.0	1.0	1.0	2.0	0.0	0.0	2.0	1.0	1.0	8.0	4.0	4.0
Waiver Development Conference	10.0	10.0		20.0	10.0	10.0												20.0	10.0	10.0
MMIS--Training Costs								14.0	14.0	3.5	10.5							14.0	3.5	10.5
MMIS--Acceptance Testing								10.0	10.0	2.5	7.5							10.0	2.5	7.5
Total	14.4	14.4		28.8	14.4	14.4	3.8	24.0	27.8	7.8	19.8	4.4	0.8	0.8	6.0	3.0	3.0	62.4	25.2	37.2
	==	==		==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==
300 CONTRACTUAL																				
Communications	1.8	1.8		3.6	1.8	1.8	0.9		0.9	0.5	0.4	2.8	0.7	0.5	4.0	2.0	2.0	8.5	4.2	
Printing and Advertising	0.1	0.1		0.2	0.1	0.1	0.1		0.1	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.2	0.2
Repairs and Maintenance	0.1	0.1		0.2	0.1	0.1	0.1		0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.4	0.3	0.2
Office Space Rental	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment Rental	0.3	0.3		0.6	0.3	0.3	0.2		0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	1.1	0.6	0.6
MMIS--New Categories of Service								18.5.0	18.5.0	4.6.8	14.6.3							19.5.0	4.6.8	14.6.3
MMIS--Change or Add Edits								2.1.0	2.1.0	5.3	15.8							2.1.0	5.3	15.8
MMIS--New Reports								5.7.2	5.7.2	14.3	42.9							5.7.2	14.3	42.9
Transition Funding			20.0.0	20.0.0	20.0.0	0.0												20.0.0	20.0.0	0.0
Other	2.3	2.3		4.6	2.3	2.3	0.2		0.2	0.1	0.1	0.2	0.1	0.1	0.4	0.2	0.2	5.1	2.6	2.8
Total	4.6	4.6	20.0.0	20.9.2	20.4.6	4.6	1.3	27.3.2	27.4.5	6.9.0	20.5.5	3.4	0.0	0.7	5.0	2.5	2.5	48.8.7	27.6.1	21.2.6
	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==	==
400 SUPPLIES	0.6	0.6		1.2	0.6	0.6	0.3		0.3	0.2	0.2	0.5	0.2	0.2	0.9	0.4	0.5	2.4	1.2	1.3
	==	==		==	==	==	==		==	==	==	==	==	==	==	==	==	==	==	==
500 EQUIPMENT																				
Micro computer, monitor, NIC	0.0	3.5		3.5	1.8	1.8	3.5		3.5	1.8	1.8	3.5	3.5	3.5	10.5	5.3	5.3	17.5	8.8	8.8
Software	0.5	1.6		2.1	1.1	1.1	1.8		1.8	0.8	0.8	1.6	1.6	1.6	4.8	2.4	2.4	8.5	4.3	4.3
Desk and Chair	0.0	0.9		0.0	0.5	0.5	1.0		1.0	0.5	0.5	1.0	1.0	1.0	3.0	1.5	1.5	4.9	2.5	2.5
Total	0.5	6.0		6.5	3.3	3.3	6.1		6.1	3.1	3.1	6.1	6.1	6.1	18.3	9.2	9.2	30.9	15.5	15.5
	==	==		==	==	==	==		==	==	==	==	==	==	==	==	==	==	==	==
TOTAL	84.0	88.3	20.0.0	37.3.2	20.0.6	8.0.6	38.9	29.7.2	33.0.1	9.3.8	24.2.3	61.5	21.6	16.3	101.6	50.8	50.8	81.0.6	43.1.2	37.9.7
	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====

Position Summary	Title	Range	Start Date
Medicaid State Programs			
OAC	Health Program Spec II	19B	7/1/92
DMHDD	Health Program Spec II	19A	7/1/92
Claims Processing	Health Program Spec I	17A	1/1/93
Certification and Licensing	Health Program Spec I	17A	4/1/93
	Accounting Technician I	12A	4/1/93
	Health Program Spec II	19A	10/1/92

C5 ADDITIONAL EXPLANATION FORM

AGENCY Health & Social Services

BRU Medical Assistance Administration

COMPONENT Claims Processing 243

Revised Date: 2/25/92

FY 93

8

12/91(rev)

TABLE 1
ESTIMATED COST OF SERVICE FOR CHILDREN UNDER HCS HB438 (FIN)
ADJUSTED FOR INFLATION
(ADMINISTRATIVE COST NOT INCLUDED)
FY 93 – FY 98

	TOTAL COSTS						STATE GENERAL FUNDS					
Inflation Factor @ 6%	1.00	1.06	1.12	1.19	1.26	1.34	1.00	1.06	1.12	1.19	1.26	1.34
CHILDREN'S WAIVERS	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children (at end of year)	0	52	96	108	122	137						
Medicaid Facility												
Institutional Care Offset	0	(450,283)	(1,358,468)	(1,945,914)	(2,320,503)	(2,767,199)	0	(231,896)	(699,611)	(1,002,146)	(1,195,059)	(1,425,108)
Medicaid Nonfacility												
Home & Community–Based Svcs Cost	0	1,008,646	3,043,009	4,358,904	5,197,993	6,198,607	0	519,453	1,567,149	2,244,836	2,676,967	3,192,[illegible]3
Other Program Cost	0	578,297	1,744,676	2,499,131	2,980,214	3,553,905	0	297,823	898,508	1,287,052	1,534,810	1,830,261
Other Medicaid Offset	0	(18,713)	(56,457)	(80,870)	(96,438)	(115,002)	0	(9,637)	(29,075)	(41,648)	(49,666)	(59,226)
Subtotal	0	1,568,230	4,731,228	6,777,165	8,081,769	9,637,509	0	807,638	2,436,583	3,490,240	4,162,111	4,963,317
TOTAL MEDICAID	0	1,117,947	3,372,760	4,831,251	5,761,266	6,870,310	0	575,743	1,736,971	2,488,094	2,967,052	3,538,210
DPA	0	0	0	0	0	0	0	0	0	0	0	0
DMHDD	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)	0	(213,607)	(644,434)	(923,109)	(1,100,807)	(1,312,713)
TOTAL	0	904,340	2,728,325	3,908,142	4,660,459	5,557,597	0	362,136	1,092,537	1,564,985	1,866,245	2,225,497
TEFRA OPTION	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
No. of Children on Option	0	65	73	67	77	88						
Percent of Year TEFRA offered	0	0	0	1	1	1						
Medicaid Nonfacility												
Home Based Services (@$7649)	0	0	0	610,375	743,565	900,776	0	0	0	314,343	382,936	46[illegible]99
Other Medicaid Services @41966*50/65	0	0	0	2,576,005	3,138,112	3,801,598	0	0	0	1,326,642	1,616,128	1,9[illegible]3
Medicaid Subtotal	0	0	0	3,186,380	3,881,677	4,702,374	0	0	0	1,640,986	1,999,063	2,421,723
Duplicated Waiver Expenditures												
Home Based Services (7649/waiver$)	0	0	0	592,155	706,145	842,078	0	0	0	304,960	363,665	433,670
Other Medicaid Services	0	0	0	2,499,131	2,980,214	3,553,905	0	0	0	1,287,052	1,534,810	1,830,261
Waiver Subtotal	0	0	0	3,091,286	3,686,359	4,395,983	0	0	0	1,592,012	1,898,475	2,263,931
Spending on TEFRA Option Less Waiver Expenditures												
Home Based Services	0	0	0	18,220	37,420	58,698	0	0	0	9,383	19,271	30,229
Other Medicaid Services	0	0	0	76,874	157,898	247,694	0	0	0	39,590	81,318	127,562
TEFRA Subtotal	0	0	0	95,094	195,318	306,391	0	0	0	48,973	100,589	157,791
TOTAL SERVICE COST -- WAIVER AND OPTION	0	904,340	2,728,325	4,003,236	4,855,777	5,863,988	0	362,136	1,092,537	1,613,958	1,966,834	2,383,288

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

for

CSHB 438(FIN)

It is the intent of the Legislature to support the Governor's decision to direct the Department of Health & Social Services to proceed without delay to gain federal approval of Medicaid waivers and options to provide home and community-based services to the aged, physically disabled adults, and developmentally disabled adults and children, including children with special medical needs.

Further, the Legislature believes that Alaska has a growing population needing an institutional level of care that would, if not for the home and community-based alternatives available under Medicaid waivers and options, require additional investment in construction and operation of additional health care facilities.

In regard to the Medicaid waivers and options for developmentally disabled children, including children with special medical needs, the Legislature further requests the Department of Health & Social Services to listen to and incorporate the concerns of families across the state. Specifically, the Department should:

1. Allow the Division of Mental Health & Developmental Disabilities to play a key role in the service design and policy of Medicaid waivers, along with the Division of Medical Assistance.

2. Allow parents, advocates and professionals to be involved with the development of the criteria for the definition of "at risk of institutionalization."

Finally, if the Department of Health & Social Services, Division of Medical Assistance fails to gain approval for the children's Medicaid waiver, it is the intent of the legislature that the department notify the Legislature without delay so that the Legislature can proceed with implementing the Medicaid option, the effective date of which is dependent upon approval of the Medicaid waiver for children with disabilities and special medical needs.

Eileen P. Mackey

Mike Navarre

COMMITTEE COPY

4-30-92

Adopted by the House

ENGROSSED

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WHILE IN SESSION
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ALASKA STATE HOUSE

CHAIR
RULES COMMITTEE

JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

MEMORANDUM

TO: **Senator Arliss Sturgulewski, Chair**
Senate Health, Education & Social Services Committee

FROM: **Rep. Johnny Ellis**

RE: **Scheduling CSHB 438 — Brianna Hurley Bill**

DATE: **May 2, 1992**

Thank you for scheduling CSHB 438. The House Finance Committee amended section 5 of CSHB 438 — which will delay the effective date of this legislation in order to allow the Department of Health & Social Services to implement federally-approved Medicaid Waivers for home and community-based health care. This legislation will not take effect until two years after the waivers are approved by the federal government. The fiscal note for the proposed CSHB 438 (Finance) is zero.

CSHB 438 — the TEFRA Medicaid Option — provides for health care for children with disabilities. It allows a child to be Medicaid eligible at home by treating the parents' income in the same way it would be handled if the child were in an institution. It makes *all* kids under age 19 who qualify for an institutional level of care, *and* their care is more cost-effective if provided at home, Medicaid eligible for basic hospital doctor care/health services, hospice for kids, case management — everything in normal EPSTD coverage.

Adopting CSHB 438 is important in many ways. It allows families to stay together, it saves the state money — because the cost of home or community-based care in many cases is up to three times less the cost of an institution — and it creates jobs — because new home and community-based agencies and businesses must develop in many rural areas to keep those families together.

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TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS

CSHB 438 SPONSOR STATEMENT

WHAT SERVICES DOES CSHB 438 — THE TEFRA OPTION BILL — OFFER?

The TEFRA Option Bill allows a child to be Medicaid eligible at home by treating the parents' income in the same way it would be handled if the child were in an institution. The option makes *all* kids under age 19 who qualify for an institutional level of care Medicaid eligible for basic hospital doctor care/health services, hospice for kids, case management — everything in normal EPSTD coverage. Seventeen states have the TEFRA Option, 28 states have regular waivers that serve kids and six have both as of Sept. 1, 1989.

DOES THIS BILL HAVE ANY MEANS OF COST CONTAINMENT?

Yes. It only applies to kids under the age of 19 who meet the requirement for an institutional level of care *and* their care is more cost-effective if provided at home.

WHO IS ELIGIBLE FOR THE SERVICES PROVIDED BY CSHB 438?

- Is under the age of 19 and would be eligible for Medicaid in an institution
- Requires or is at risk of needing an "institutional" level of care
- The care is appropriately provided outside the institution
- The cost of providing care is no more than the cost of institutional care
- Home and community based services are not available to this person under a waiver

WHAT GROUPS OF CHILDREN DOES CSHB 438 COVER?

The DH&SS estimates about 100 children would be eligible for the option as of June 1990 — Families & advocates estimate there are more children.

- 20 children in Hope Cottages, one of Alaska's two ICF-MR's
- 5 children in hospitals
- 11 children in foster care
- 9 children in nursing homes
- Estimated 55 children at home (paid through private insurance from parents or Medicaid)

CONCLUSION

Please consider adopting both the TEFRA option — CSHB 438 — and at the same time support the DH&SS's decision to apply for Medicaid waivers. The effective date of this legislation is two years after the federally-approved effective date of the waivers — hopefully July 1, 1995. This legislation will provide services only to those families who cannot be covered with a Medicaid waiver.

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REPRESENTATIVE JOHNNY ELLIS

CSHB 438 SECTIONAL ANALYSIS

The House Finance Committee made several technical amendments to this legislation in regard to citing federal documents. Those are on page 4, lines 19, 24 and 30. Also, effective date has been changed: page 5, line 3 changes from 180 days to 2 years after the effective date of medicaid waivers for children.

HB 438 Amends Alaska Statutes 47.07 — Medical Assistance for Needy Persons

SECTION 1
AS 47.07.020 (b) is amended by adding a new section (10) describing the kind of person to be eligible for the Medicaid option. (A) and (B) defines people under the age of 19 who are eligible for assistance if in a hospital, nursing facility or ICF-MR — whose care would cost less if that person were receiving care at home, and (C) and (D) says that if that person were eligible for Medicaid in the institution then that person should remain eligible if that person left the facility — disregarding the income and resources of that person's parents, guardian or other caretakers.

SECTION 2
AS 47.07.030 is amended by adding a new section (c) that makes clear in the Statutes that the Department of H&SS can offer services under a waiver. The bill drafters thought this might be necessary to have in statute.

SECTION 3
AS47.07.035 is amended to add the new Medicaid option to the list of prioritized Medicaid options the state can offer. It lists the new option as number 20 on the priority list. I worked with the bill drafters to place it as number 20 because that is where the services end and the groups of people begin. Last year there was an unwritten policy that new options listed should be the first to go on the priority list, and putting this at number 20 follows that policy to the extent that this is placed as the first GROUP of people.

SECTION 4
This section recognizes that the state shall seek approval of a waiver from the federal government to provide home and community based services for persons who are Medicaid eligible.

SECTION 5
Sections 1 and 3 of this Act take effect two years after the waivers for children are approved by the Federal government. The Department of Health & Social Services is expected to gain approval for waivers no later than July of 1993, thereby making the effective date of this legislation July 1, 1995.

ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

February 14, 1992

Representative Johnny Ellis
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, AK 99811

Dear Representative Ellis:

Thank you for sponsoring House Bill 438. This bill, if enacted, would provide much needed home and community based services for children who would otherwise be institutionalized. At last night's meeting of the Alaska State Medical Association Legislative Affairs Committee, we discussed your bill and gave it our strong support. If the medical association can be of any assistance in helping to get this bill passed, please do not hesitate to contact me.

Sincerely yours,

Donald R. Lehmann, M.D.
Chairman, Legislative Affairs Committee

Alaska C.O.P.E.

***C**oalition **O**f **P**arents **E**ducating*
For The Disabled & Medically Complex
P.O. Box 220584
Anchorage, Alaska 99522-0584
(907) 522-1097

December 10, 1991

Dear Lawmakers,

We are writing to ask for your support in the upcoming legislative session regarding the Medicaid option and waiver reports for medically complex indivduals.

Alaska C.O.P.E. is a new educational and support group forming to educate parents and the community on issues related to the disabled and the medically complex.

Our immediate interest is in the recommendations to the State from Project Choice. We support the recommendations that Alaska like many other states adopt the Tefra waiver or option. If Alaska chooses to adopt the Tefra option, it would allow Medicaid to waive the parent income eligibility rules. This would allow families like ours to earn an income above the poverty level. It would also provide services and funding for families that are currently ineligible for Medicaid.

As a group we are urging parents and the community to contact you and express their concerns. Your consideration and support will be greatly appreciated.

Sincerely,

Elaine M. Hurley
Director

REC'D FEB 21 1992

ACTION FOR ALASKA'S CHILDREN

FEBRUARY 17, 1992

Representative Johnny Ellis
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

RE: HCR 48 and HB 43

Dear ~~Representative~~ Johnny Ellis:

Action for Alaska's Children (AAC) is a state-wide child advocacy organization concerned with the health and well-being of our Alaska children. It is a volunteer organization with no paid staff and does not receive any local, state or federal funds.

AAC IS IN STRONG SUPPORT OF HCR 48 THAT URGES THE ALASKA DEPARTMENT OF HEALTH AND SOCIAL SERVICES TO APPLY FOR WAIVERS TO PROVIDE HOME AND COMMUNITY BASED CARE FOR KIDS, ADULTS WITH DISABILITIES AND THE ELDERLY.

WE ALSO SUPPORT HB 438 THAT WOULD PROVIDE MEDICAID HEALTH CARE COVERAGE FOR KIDS WHO WILL NOT BE ELIGIBLE FOR THE WAIVER SERVICES WHEN THEY ARE OFFERED. WE ARE CONVINCED THAT MONEY SPENT IN PREVENTION AND EARLY INTERVENTION SERVICES SAVES IN THE LONG RUN.

WE URGE YOUR SUPPORT OF BOTH HCR 48 AND HB 438.

Many thanks for your support of legislation beneficial to children and families in the past.

Sincerely,

Thelma

Thelma P. Langdon
President/CEO

c/o Thelma P. Langdon - 2363 Captain Cook Drive - Anchorage, AK 99517 - (907)248-0834

American Academy of Pediatrics

Alaska Chapter

President
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Anchorage, AK 99516
(907) 561-2171

Secretary-Treasurer
Nancy Oulmet, MD
1200 Airport Heights Drive
Suite 140
Anchorage, AK 99508
(907) 264-1800

Dear Rep. ~~Ellis~~ Johnny

REC'D MAR 11 1992

The American Academy of Pediatrics has as it's primary goal the advocacy of children. As the president of the Alaskan chapter of that organization I wish to comment on a couple of issues that are coming up before the legislature this year.

First is HB 438 which is basically a bill to allow parents who have children that are disabled enough to be hospitalized at state expense to have the option of keeping those children at home while they receive medicaid health coverage without having to first divest themselves of all of their financial where-with-all. Optimally all children should be allowed to stay with their own parents and certainly it would be cheaper for the state to provide medicaid dollars rather than institutionalization dollars. Therefore we pediatricians strongly endorse this bill.

Secondly, we pediatricians and the national AAP have been advocating for access to health care for all children and pregnant women. We, and most state and national legislators are in agreement that it is a disgrace that we have defenseless children who are also totally uninsured and that some fetuses are raised in an unhealthy environment because mom is uninsured. There are certainly other problems with the access to health care, but the lack of insurance for helpless individuals should somehow be completely circumvented in this society of ours. I am very pleased to note that both the legislative task force on health care and the physicians and hospitals "health access and cost containment council" appear to be inclined to put this issue as a priority. It would seem to be appropriate to find some way to accomplish this since there is universal support.

Sincerely

Dave Alexander

David G.Alexander,M.D.

THE INFANT LEARNING PROGRAM

1266 Ocean Drive, Suite D
Homer, Alaska 99603
Phone 235-6044 • Fax 235-2644

DR

February 11, 1992

Dear House Health, Education, and Social Service Committee Members,

Please support HCR 48 and HB 438 to offer Medicaid options and waivers for home-based care for the elderly and children and adults with disabilities.

The Homer Infant Learning Program provides home-based early intervention services to families with infants and toddlers birth to three years who are at risk or experience a developmental delay or disability. Current grant funding levels are not sufficient to provide adequate frequency of services to the 40 families enrolled, especially in the 14 villages in the catchment area. In addition, 40 families are on the waiting list for services.

With Medicaid Health Care coverage, more children/families could be served.

Sincerely,

Colleen Powers
Program Coordinator

cc: Johnny Ellis

FRAN DURNER / Anchorage Daily News

Elaine and Douglas Hurley with 18-month-old daughter Brianna.

Caught in a Health Care Trap

Medicaid rules push middle-class family toward poverty

By JAY BLUCHER
Daily News reporter

Douglas and Elaine Hurley had it all — a new marriage, good jobs, a promising future. The only thing that would have made their lives perfect, they thought, was a child.

But when their daughter, Brianna, was born with severe medical problems, the Hurleys were forced to surrender much of what they had so Medicaid would pay for her care.

Eighteen months ago, before Brianna's birth, the Hurleys were a two-income family earning more than $40,000 a year. Douglas, 24, was working full time as a baker and commercial fisherman, and Elaine, 26, was holding down three part-time jobs as a secretary and bookkeeper. They had been married for just two years.

"We scrimped, saved and planned for this baby and thought we had what people think of as the American dream — money for a down payment on a house, college funds, savings accounts — if not attainable, then at least in sight," says Douglas.

Brianna was born with cerebral palsy and epilepsy. She also has severe brain damage caused by viral encephalitis contracted in the womb. The disease, often fatal, causes paralysis.

At 7 months old, Brianna also suffered a stroke.

Some doctors tell the Hurleys that Brianna might learn to walk by age 6 or 7. Others, such as Dr. Jerome Mednick, a pediatric neurologist in San Francisco, say she will never walk or talk.

Now, when other children her age are toddling, Brianna has only recently been able to muster the muscle coordination to wave her right hand. She cannot support herself upright or crawl, and the entire left side of her body is impaired. She is like a limp rag doll, with the motor skills of a 2-month-old.

While the Hurleys accept Brianna's special needs, the cost of caring for her at home was unexpected.

"We thought to ourselves, 'OK, we'll deal with it; there's help available for families like us,' " says Elaine.

But little did they realize that their decision to care for Brianna at home would force them to cash in their lives for a welfare check.

Since birth, Brianna has required extensive medical attention ranging from emergency hospitalizations — as when her seizures caused a semi-comatose state for 30 days — to regular visits with pediatricians, neurologists, nutritionists and other specialists. As a disabled infant, she also receives regular occupational, physical and speech therapy services through the state's Infant Learning Program.

She's had every manner of diagnostic test, and these continue. At a big price.

The specialized infant formula she needs to gain weight costs $75 a case, and lasts only a week because Brianna still cannot eat solid foods. The medications needed to control her seizures cost $700 per month. Her medical bills average $4,000 a month. And in Brianna's future looms extensive orthopedic surgery and probably an expensive liver transplant. (The drugs that help control her seizure have damaged her liver.)

The Hurleys estimate Brianna's medical bills will cost $60,000 annually for the next five years. More than $20,000 remains unpaid now.

At first, the couple had reasonably good medical insurance through Douglas' employer. It paid 80 percent of the family's medical costs. But after just three months in which Brianna's total medical costs topped $60,000, Blue Cross of Washington and Alaska reduced its coverage to 50 percent.

Douglas' employer at the time, William Pargeter, who owns Harry's restaurant and owned the now-defunct Kayak Club, could have continued the higher coverage, but at greater cost.

Pargeter says he was acutely aware of the Hurleys' high medical expenses because the Kayak Club was in the midst of a bankruptcy reorganization at the time and he

Please see Page D-2, TRA

Continued from Page D-1

was looking for a new health insurance plan for his employees.

"But this family's high medical costs made the insurance companies leery of accepting the whole group," he says. "In fact, one carrier flatly refused to carry us as long as Douglas was employed with us."

Rather than offering his employees a health plan that excluded the Hurleys, Pargeter instead opted for a less comprehensive Blue Cross plan for all.

Blue Cross officials would say only that the company opted for a less expensive health plan.

Other insurance companies wouldn't accept the family because Brianna's medical needs were "pre-existing."

The Hurleys soon owed thousands of dollars with no hope of ever repaying it on their existing incomes. Threatening phone calls from bill collectors now punctuate their days. Their credit ratings are ruined.

"We were taking food out of our own mouths in order to send $10 here, $20 there, for medical bills left unpaid by our insurance, but we were falling hopelessly behind," says Elaine.

The couple realized their only option was Medicaid, the federal health-care program administered by individual states to help the poor. But Medicaid has a strict income limit, and the Hurleys exceeded it.

This family of three, to qualify for Medicaid, would have to begin living on $1,334 a month, before taxes. Or, as they were told by Medicaid officials, they would have to "spend down to 133 percent of the federal poverty level."

This meant Douglas had to quit his job in September and go on unemployment, which pays him $760 a month. Elaine could bring in only $574 a month to stay under Medicaid's limit, so she could accept only part-time work as a bookkeeper.

"I despise living this way, feeling like I'm on the dole looking for a handout, but it's the only way my daughter's medical bills can be paid," says Douglas.

"It's frustrating to be a capable and willing-to-work father who wants to be the provider for my family, and yet be forced by bureaucratic rules to *not* work," says Douglas.

Income wasn't the only thing they had to cut. The Hurleys were required by Medicaid rules to deplete their savings accounts, college funds for Brianna, certificates of deposit, individual retirement accounts, and to trim their possessions to one car of no more than $1,500 value, household goods of $500 value, and $250 worth of baby furniture.

Every three months, state public assistance officials grill the family about new sources of income — inheritances, church donations or money from other family members.

"It makes me feel so demeaned, like I have no worth, no self-esteem," says Douglas.

> *"I despise living this way, feeling like I'm on the dole looking for a handout . . . It's frustrating to be a capable and willing-to-work father who wants to be the provider for my family, and yet be forced by bureaucratic rules to not work."*
>
> — Douglas Hurley

Since he's been unemployed, he's gotten several good job offers at considerably more salary.

"I've been reduced to turning down good jobs in order to care for my daughter," he says. "Now isn't that a perverse situation?"

Elaine is just as frustrated.

She worries that the couple may never be able to afford a home, have other children or excel in a career that could provide the security every family seeks.

They could do all that, however, if they did just one thing: Put Brianna in an institution or make her a ward of the state. Then Medicaid would pay for her care and release her parents from income limits.

Unacceptable, say the Hurleys.

"We want to be able to look at ourselves in the mirror and say that we did everything we possibly could to help her, no matter the sacrifice," says Elaine.

Equally distasteful is a third option — for the couple to legally separate. Elaine could accept public assistance as a single parent and Douglas would be free to return to work and pay child support.

"So the state would actually reward the breakup of a loving family," says Douglas sarcastically.

Chris Ashenbrenner, program officer for the state's medical assistance office, says the Hurleys are not alone.

"Because there's no nationwide health plan in this country, people such as the Hurleys are among the gap group, people caught in the middle-class health crisis," she says.

But she also says it's unfair to blame Medicaid.

"It's the whole health care mess in this country and insurance companies that are allowed to drop coverage when claims get too high or certain limits are reached."

David Maltman, executive director of the Governor's Council for Handicapped and Gifted, says it c happen to anyone.

He agrees that Alaska's current cy needlessly impoverishes wor families trying to care for a disa child at home.

Responding to the problem, council has examined the Medi system and recommended impr ments to make home care more a able to persons with disabilities.

In 1990, the legislature requir similar study by an independent mission known as Project Ch whose final report will be presente January. Both the council and Pr Choice recommend that the state a for a waiver from federal Medi rules.

This would let Medicaid waive income limits for families like Hurleys.

Alaska is one of only a handfu states that have not adopted a wa program or something known as "Katie Beckett option."

In 1981 Katie Beckett, a 3-yea girl from Iowa who, like Bria suffered from viral encephalitis, granted a federal waiver by Presi Ronald Reagan. He cited the cas overregulation.

Since then, a majority of U.S. st have adopted either waiver progr or Katie Beckett options.

Medicaid's Ashenbrenner says A ka has never applied for this partic waiver or option because the s already has an adequate welfare gram, with the most generous eligi ty standards in the country.

This rationale, however, does consider people like the Hurley family caught in precisely the regul ry paradox that such waiver progr were intended to address.

The Hurleys see a waiver or Bec option as their only relief fro poverty sentence.

"Sometimes, you get the impres these Medicaid people think of i their own money," says Elaine.

She glances lovingly at Bria who responds with a curious l When all the frustrations become much, the Hurleys focus on wh most dear.

They shower Brianna with at tion. The tiniest of achievements, s as a simple wave of her hand, br them renewed hope for her future

"Her wonderful disposition thro all of this really makes it easy on hearts, knowing that as difficult a gets for us sometimes, her love rem unconditional," says Douglas.

He marvels at his daughter's re lence as she sleeps in his arms.

"She's so beautiful, so innocent She has no idea any of this is hap ing, no idea that she's . . . diffe . . . or how difficult all of this been for her parents," he says.

Brianna stirs.

"Ssshhh, little one. It's OK. Dad here."

755 2511

ADN 1/7/92

Medicaid reform

Start with a waiver, but do more

In photographs, Brianna Hurley looks like any healthy, happy 18-month old. The picture that ran in Monday's Daily News showed her sitting on her mother's lap. Her pink sweat shirt had white ponies on it, and her straight brown hair was swept back with a matching pink barrette. She shared the couch with her father and a doll.

But the photograph doesn't tell you the whole story. Yes, Brianna is as sweet looking as they come. And it's obvious her parents, Elaine and Douglas Hurley, love her. But their daughter can't hug her doll, or even sit upright on the couch by herself. Born with cerebral palsy and epilepsy, brain damaged from viral encephalitis, felled by a stroke, Brianna can't walk or talk, and may not ever.

There's something wrong with a system that pays for institutional care but won't help a family that wants to care for its loved one at home. There's something wrong with a system that takes two people with good work histories and tells them they can't work.

Elaine and Douglas Hurley's life is like that photograph: It turned out different than it looked. It's not just that their daughter was born with the problems she has; they have found the personal strength to deal with that. But their financial resources — their jobs, insurance and savings — proved wholly inadequate in the face of $60,000-a-year medical bills.

Had they put their daughter in an institution Medicaid would have paid for her care without restricting the Hurleys' income. But the couple want to take care of their daughter, at home, themselves. So they've had to quit their jobs, deplete their savings and sell off household goods to meet Medicaid income limitations.

There's something wrong with a system that pays for institutional care but won't help a family that wants to care for its loved one at home. There's something wrong with a system that takes two people with good work histories and tells them they can't work.

The state of Alaska can help the Hurleys and families like them by applying for an option — used by other states — that would let Medicaid waive the income limits for families who want to care for disabled members outside of an institution.

But while that's a quick fix — and a necessary one — there is more wrong here than simply Medicaid.

There's something wrong with an insurance company that can reduce coverage just when it's needed most, as happened to the Hurleys. There's something wrong with an insurance industry that can refuse to cover prior conditions or high-risk people. There's something wrong with a system that doesn't address catastrophic illnesses. And there's something very wrong with a system that leaves some 90,000 Alaskans with no insurance coverage at all.

The Alaska legislature can ask for a Medicaid waiver. But that's only a stopgap measure toward ensuring everyone the right to medical care. It's only a reminder of how desperately this country needs to reform its health care system.

Remember, the family in the photograph could be yours. If this could happen to the Hurleys, it could happen to you.

State wants Medicaid for home care

WEDNESDAY
February 12, 1992

By DIRK MILLER
THE JUNEAU EMPIRE

The Hickel administration wants to speed up the process to allow Medicaid patients a choice between home or institutional health care, at a savings to the state and federal governments.

Alaska is one of the last states to seek a federal waiver for using Medicaid to cover home care.

The cost of the health-care program for low-income elderly or disabled people is shared about 50-50 by the federal and state governments. But home care is not covered in Alaska, and people who cannot live at home without help must move into a nursing home or other institution to qualify for Medicaid.

Alaska has been seeking to change the program since 1990, when lawmakers passed a bill directing the Department of Health and Social Services to look into obtaining the waivers.

If approved by the federal government, it is expected the change would be in place by 1994.

"I think we've already established it's a good idea," said John Manly, spokesman for Gov. Walter J. Hickel. "The governor would like to see it in place as soon as it can be done."

Last year, the state's share of Medicaid was almost $82.3 million. With the elderly population growing, that figure is sure to rise in the next few years, said Dave Williams, who is overseeing the waiver application for the Health and Social Services Department.

"Over the years it would cost less to take care of people at home than in an institution," he said today.

"The population that needs care is growing," Williams said. "What we're doing is making a decision about how to meet that growing need."

Health Commissioner Ted Mala and Hickel have directed the department to speed up the process, rather than wait for more legislative direction, Williams said.

"The commissioner and governor have come back and told us to go and get the waivers," he said.

Manly said allowing people a choice in health care is as important as any cost savings to the governor. "The major thrust of the governor's health agenda is to keep families together as much as possible," he said.

The percentage of people who choose home health care as an alternative to a nursing home or hospital likely would increase under the waiver program, Williams said.

"I think what we're looking at is not particularly saving a great deal of money, but allowing people to make a choice whether to stay at home or be put in an institution," Williams said

The changes would benefit senior citizens, disabled children and their parents, and Alaskans with developmental or physical disabilities, according to Sen. Rick Uehling's office. The Anchorage Republican sponsored the 1990 legislation that directed the state to consider the Medicaid waivers.

"In many cases, the home-care alternative will save the state money," Uehling said in a prepared statement. "And the recovery process is much more rapid when people are home, supported by family."

Private nursing homes in the state charge between $7,000 to $9,000 a month per patient, Williams said.

As of Jan. 21, more than 630 Alaskans were in nursing homes, long-term care centers, hospitals and other insti-

Please turn to Medicaid, Page 8

Medicaid...

Continued from Page 1

tutions under the Medicaid program, according to statistics from the state.

The number does not include residents at the six state-subsidized Pioneers' Homes, which provide nursing care for elderly Alaskans.

But allowing payments for home care would not empty out Alaska's nursing homes and institutions, Williams said. Instead, people who have remained at home because they did not want to be institutionalized could receive needed services at home.

"The service is just more desirable if you can just stay home rather than go to an institution," he said. "When you go into an institution, you turn your life over to the institution."

The department has estimated that in the first three years of the program, 530 people might opt for home health care instead of nursing homes, while many more people would receive home care currently unavailable through Medicaid.

Governor's Council for the Handicapped and Gifted

MEDICAID TASK FORCE

Six Draft Recommendations for Implementing the Medicaid Waiver Program.

DRAFT

Recommendations of the Medicaid Steering Committee, Governor's Council for the Handicapped and Gifted

The Medicaid Task Force of the Governor's Council for the Handicapped and Gifted met on April 21,1992 to discuss the recommendations for improvement formulated by parents at the Pathways Conference. The Task Force did three things during the teleconference 1) tentatively agreed to the recommendations formulated by the parents at Pathways, 2) further developed the reasoning for those recommendations and 3) made several assignments to participants in order to seek more information before adopting these recommendations in final. The Medicaid Task Force plans to meet again within the next two weeks to share information on assignments that were made.

The Division of Mental Health and Developmental Disabilities should be given control of service design and policy. New services should be built on what is currently being done in the system, and most importantly on the service principles of the Developmental Disabilities system.

Discussion:

DMHDD and DD service providers have been working to discharge children and adults from institutions and prevent them from ever going in very successfully for a number of years. Families seem almost universally satisfied with the DD process and the improvements made in individualized planning. The aim of state policymakers should be to actively build on the existing DD system, using Medicaid as a financing tool. Anything less than a unified and consistent management of services for persons with severe disabilities will be duplicative and unnecessarily expensive.

It is likely that individuals qualifying for waiver services will,throughout their life ,qualify for and need DD services. Therefore , it is extremely important that services be totally integrated and consistent across all age groups and across an individual's lifespan. Families are already painfully aware of being caught between service systems such as the school district and other service providers. Every federal initiative in this area is to make the systems that families deal with more cohesive and consistent.

It is equally important that the services be designed around the same service principles that drive other dd services, that of the individualized approach. It is vital that the Division and other service providers be involved in service design and setting up the planning process that will be used to help families and consumers determine their needs.

Subtasks

1.The Department should delineate in writing that DMHDD has role in setting policy for the program, in authorizing admission and in designing services for all waivers for persons with disabilities. It was suggested that a memorandum of agreement should be developed delineating responsibilities between DMA and DMHDD.

Some specific areas of responsibility for DD should include:

1.Designing assessment criteria and forms

2.Designing the individualized planning process,plan of care or habiliatation plan requirements used by the state or providers (and the forms if any)

3.Lead staff in developing the initial planning , in determining and authorizing the care plans of individual clients-within budgets specified by DMA. The regional program specialists and Marchelle Hansen currently do this function in conjunction with the DD programs. **It is essential that this be done by DD under the waiver to ensure consistency with the service principles and family satisfaction with the decisions made.**

4. Lead in design of community based services particularly those that have traditionally been segregated service models such as habilitation done in group homes or foster care. Also in determining equipment and home modifications policy.

5. Determine DD state office staff role versus DD provider/ FRS role in assessment and ongoing case management.

6.Establish provider agreements if needed. Supervise provider technical assistance.

On an ongoing basis:

7. When appropriate,participate in individualized planning process

8.Participate in ongoing case management

9. Develop program standards with providers that measure quality under the waiver program consistent with the service principles and integrate into existing system of review. Conduct quality reviews.

DRAFT

The criteria for determining which children will qualify as being "at risk of institutionalization" needs to be developed as broadly as federally permissible and in conjunction with professionals and consumers familiar with the field of disabilities.

Discussion:

States have broad latitude to set the definition for which children will qualify for services under a waiver and option. States have tailored their definitions based on the other choices available for families and individuals in their states. For instance, a state with a TEFRA option and waiver may chose to use their waiver to serve a highly specialized group of children.

There appears to be no standardized definition of a child "at risk of institutionalization." The working definition of which children should be in an institution,especially an ICF-MR , has changed dramatically in Alaska as other options for children have developed in the community. Children now living safely in small villages would likely have lived in Harborview or Hope Cottages ten years ago. Often, admission or continuing stay decisions include somewhat subjective or psycho-social factors--based largely on the fact that there are no other viable options for the child at this time. Such psycho-social factors such as caregiver burnout,economic stress, lack of other options for family, a change in family support system should be factored into the "at risk" definition for the waiver or option.

Eventually , these criteria may need to be embodied in regulation and a public comment process will be necessary. However, DHSS has used working groups of effected providers in the past to fashion program guidelines prior to regulation writing. Such a process should be used now to ensure maximum cooperation during the regulation process.

Sub Tasks:

1.Examine state and federal licensing and certification requirements to find out what criteria already exist ie Does all institutional care require a child to need "24 hour nursing supervision"? Also agreed to examine hearing officer decisions about criteria for institutionalization. (Putnam)

2. Conduct an historical review of changing severity of condition for institutionalized persons with disabilities in Alaska. (Lesko)

3. Contact other states with children's waivers to obtain examples of criteria used by them, including but not limited to Wisconsin and Minnesota(Maltman),Iowa (Hurley), Nebraska and Montana. (Cullington) (Project Choice may already have some copies of criteria to share)

4. The Department should empanel a working group to determine assessment criteria and the assessment process to be used. The team should include providers who work with developmentally disabled children in the community such as Hope Cottages, DMHDD staff such as Marchelle Hanson, a parent of a child with disabilities, and others such as representatives of the LIFE program at Providence and Infant learning. Certification and licensing staff at DMA should also be part of the group.

5. The Division of Medical Assistance should share any background materials on definitions they have gathered and provide in writing any legal limitations they believe will limit the work of the group or any working definitions they would prefer to see. If the thinking is that a child needs "24 hour nursing supervision" then how do they see that being done for persons with disabilities in home -based settings in various Alaskan communities. What impact do they think that will have on the usefulness of the waiver to persons currently living in the community?

Parents and advocates should assist the state in designing the "slot" allocation criteria, including how slots are allocated and the order in which children will be served.

Discussion:

The most difficult task will be deciding which qualified children will get to use the waiver slots. States have used a variety of approaches from first-come, first served to a system of prioritization. As one policy maker puts it, "its like playing God". Advocates should be involved in determining the criteria that should be employed by the state to hand out waiver slots.

Sub Task(s)

1. Explore how other states have allocated slots at the beginning of their waiver implementation Wyoming and Arizona were suggested as recent waiver states (GCHG)

2. The Department should seek input from the GCHG on the slot criteria.

3. The GCHG or a subcommittee should develop the criteria.

Ensure that families and consumers are involved in the design of the waivers and options

Subtasks

1. The DMHDD,GCHG and DMA develop a timeline for development of the waivers and options .The timeline should be made available to the public as soon as possible. The timeline should clearly display decision milestones and opportunities for public input into drafts.(Lobaugh)

More than 100 waiver slots should be made available.

Discussion:

Prior to applying for a waiver, the Department (including DMHDD) should conduct a more thorough review of how many children may actually qualify for a waiver. Also more children can be served through allowing access to other waivers planned to be written by the Department.

However, the success of the waiver meeting many families needs hinges on the availability of cold ICF-MR beds. Many of the older children(beyond infancy) will be qualified only for ICF-MR care as opposed to acute or nursing care beds. Currently, only a portion, perhaps 32-40 beds have been identified as available at this juncture. Over 120 vacant ICF-MR beds will be needed to meet the needs outlined in the Project Choice report for both children and adults. (60 for children and 60 for adults). There is a legitimate concern about how the necessary cold beds can be found to make the waiver useful. Under a scenario where very limited numbers of ICF-MR beds are available, it is clear that the TEFRA option would provide an important release valve for demand.

Subtasks:

1. Ask the Department to review the assumptions of the number of ICF-MR cold beds available and provide more information on the steps needed to gain the necessary cold beds.(Maltman) Look at possibility of conversion of hospital and swing beds for ICF-MR certification.(Cullington)

2.Create more waiver slots for children by a) placing children living in nursing homes in OBRA waiver (no cold bed requirement) b) GCHG discuss the possibility of allowing older children who live in Hope Cottages ICF-MR and those who are