

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7294**

**BILL NUMBER: HB 1620**

**DATE PREPARED: Dec 23, 2000**

**BILL AMENDED:**

**SUBJECT:** Community and Home Based Care.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
 **FEDERAL**

**IMPACT:** State

<b>STATE IMPACT</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>State Revenues</b>			
<b>State Expenditures</b>		<b>90,610,645</b>	<b>118,905,946</b>
<b>Net Increase (Decrease)</b>		<b>(90,610,645)</b>	<b>(118,905,946)</b>

**Summary of Legislation:** This bill appropriates \$74,500,000 beginning July 1, 2001, and ending June 30, 2002, and \$74,500,000 beginning July 1, 2002, and ending June 30, 2003, to the Division of Disability, Aging, and Rehabilitative Services from the State General Fund to use for funding of the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program.

The bill also appropriates \$11,000,000 beginning July 1, 2001, and ending June 30, 2002, and \$33,900,000 beginning July 1, 2002, and ending June 30, 2003, to the Office of Medicaid Policy and Planning (OMPP) for funding of the Medicaid waiver for Assisted Living Program.

The bill also appropriates \$2,000,000 beginning July 1, 2001, and ending June 30, 2002, and \$5,150,000 beginning July 1, 2002, and ending June 30, 2003, to OMPP for funding of the Medicaid waiver for the Adult Foster Care Program.

It further appropriates \$3,110,645 beginning July 1, 2001, and ending June 30, 2002, and \$5,355,946 beginning July 1, 2002, and ending June 30, 2003, to OMPP for funding of the Medicaid waiver for the Enhanced Adult Day Care Program.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill appropriates \$74.5 M each year of the biennium to the CHOICE Program. The appropriation does not revert to the General Fund and is made in addition to other funds appropriated to the CHOICE Program. The appropriation for the current year is \$42,623,785 which includes the intra governmental transfers to the Medicaid Program to provide the state's share of the Aged and Disabled Waiver, about \$4.5 M in FY 2000. This bill plus the FY 2000 level of expenditures for the CHOICE Program would provide approximately \$112.6 M in State General Funds for the program annually.

The bill also appropriates funds for three new Medicaid waiver programs as shown below:

<b>New Waiver Programs</b>	<b>FY 2002</b>	<b>FY 2003</b>
Assisted Living	11,000,000	33,900,000
Adult Foster Care	2,000,000	5,150,000
Enhanced Adult Day Care	3,110,645	5,355,946
<b>Total New Waivers</b>	<b>16,110,645</b>	<b>44,405,946</b>

If these new waiver programs were implemented, the state appropriated funds would be matched with Federal dollars. Federal Medicaid Match for FFY 2002 is estimated to be 61.86%.

**Explanation of State Revenues:** See Explanation of State Expenditures, above, regarding federal reimbursement in the Medicaid program.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services; and the Office of Medicaid Policy and Planning.

**Local Agencies Affected:**

**Information Sources:** Auditor's Minor Object Code System for FY 2000, P.L. 273-1999.