

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7517

BILL NUMBER: SB 440

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Funding for Long-Term Care.

FIRST AUTHOR: Sen. Server

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill specifies that funding for long-term care services includes state and federal dollars available for institutional care and home- and community-based services. The bill requires savings generated by converting to home and community care to be used to fund additional home- and community-based Medicaid waiver slots.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: Current statute requires the Family and Social Services Administration (FSSA) to annually determine and report any state savings generated by home- and community-based services from reducing the use of institutional care. This bill changes the "may" provision to a "must" provision concerning savings determined by the state that were generated from moving persons from nursing home facilities to home- and community-based services settings and requires that savings be directed towards the state's share of additional home- and community-based Medicaid waiver slots.

FSSA reports that it currently uses all savings from moving persons from nursing home facilities to the community for services provided through Medicaid waiver slots. However, the actual amount of savings is difficult to accurately determine. The calculation of each recipient's savings is difficult due to the different level of services each person requires or may require in the future.

Background Information: The Office of Medicaid Policy and Planning (OMPP) reports that it is working with one of its contractors to track persons leaving nursing homes for community services to identify savings. Essentially, money follows the person for any individual in a nursing facility who chooses to leave the facility

and receive services in the community. However, nothing prevents another person from entering the nursing facility and occupying the bed. In addition, it is difficult to identify the source of any decrease in nursing home admissions. The decrease could be due to persons moving to home- and community-based services, closure of facilities, or other cost saving measures instituted by OMPP, among other things.

FSSA reports that information to date indicates that for the cost of 2 persons served in an institutional setting, 3 persons can be served in the community.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

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