

FISCAL NOTE

October 24, 2019

Bill No:	SB 277	Printer's No:	236	Sponsor:	Brooks (R)
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COST / (SAVINGS)

Fund (s)	2019-20	2020-21
	Full Year	
General Fund – Various Appropriations	\$88 million	\$88 million*

*Estimated

SUMMARY: This bill provides for a Medical Assistance deemed eligibility program for home care, home health and older adult daily living center services.

ANALYSIS: SB 277 requires that, subject to federal approval, the Department of Human Services (DHS) shall establish a deemed eligibility program for home care services, home health services and older adult daily living center services for those who are 65 years of age or older and nursing facility clinically eligible.

Qualified entities shall be permitted to submit an application for Medical Assistance on behalf of the individual and determine the deemed eligibility of individuals to receive Medical Assistance.

If the entity determines that an individual is deemed eligible to receive Medical Assistance, the individual may begin receiving home care services, home health services and older adult daily living center services from a Medical Assistance provider as soon as a preliminary service plan is signed. DHS shall apply a final determination of Medical Assistance eligibility beginning on the date that a qualified entity determines that an individual is deemed eligible.

If the entity determines that an individual is deemed eligible but the individual is subsequently determined to be ineligible by DHS, the provider which provided services shall not receive payment from the commonwealth for the cost of those services during the period of deemed eligibility. If the individual provided fraudulent information, the provider may seek reimbursement from the individual.

Once DHS makes a final determination of eligibility, the department shall authorize Medical Assistance payments for the individual for the first sixty days after the date the individual signs a preliminary service plan limited to the home care services, home health services and older adult daily living center services provided during that period; verify the information on the application; and make a final determination of Medical Assistance eligibility. Upon request, information on determining individual eligibility shall be provided to the entity.

On January 1 of each year, DHS shall issue a report to the General Assembly with information on participation, costs and savings of the program.

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Within 180 days of enactment of the legislation, DHS shall apply for any necessary federal waiver or state plan amendment. Fifteen days before applying, the proposed application shall be submitted to the relevant committees in the House and Senate.

If the necessary federal waiver or state plan amendment is approved, DHS shall transmit notice of approval. 30 days following the publication of notice of approval, the program shall take effect.

The provisions in the bill shall expire October 31, 2024.

FISCAL IMPACT: Federal law does not provide for deemed eligibility or retroactive payment for home and community-based services under a waiver, therefore any costs for care in the deemed eligibility period would be paid from state funds.

This bill heavily conflicts with the Community HealthChoices (CHC) program, which was federally approved through a 1915(b)(c) waiver to implement the program as quickly as possible. The program is currently being implemented in stages across the state to serve individuals in their home and communities rather than an institutional setting. A separate Fee-for-Service program would need to be maintained to carry out the deemed eligibility program alongside CHC.

If zero percent of those deemed eligible would have otherwise entered a nursing facility

	Cost per 60 Days	Total Served	State Funds
Home Care	\$6,542	13,452	\$88 million
Nursing Facility	\$9,070 (\$4,535 state share)	0	0
		Total Cost	\$88 million

If the entity determines that an individual is deemed eligible but the individual is subsequently determined to be ineligible by DHS, the provider which provided services shall not be reimbursed by the commonwealth for the cost of those services during the period of deemed eligibility. If the individual provided fraudulent information, the provider may seek reimbursement from the individual.