SF3694 - 10A - PCA, COVID-19, and Community Based Services Prov

Chief Author:	**Jim Abeler**
Commitee:	**Human Services Reform Finance and Policy**
Date Completed:	**5/14/2020 6:41:01 AM**
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	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**
General Fund	-	25,038	60,751	217	-
Health Care Access	-	-	645	56	-
Total	**-**	**25,038**	**61,396**	**273**	**-**
Biennial Total			**86,434**		**273**

Full Time Equivalent Positions (FTE)		Biennium		Biennium	
	FY2019	**FY2020**	**FY2021**	**FY2022**	**FY2023**
General Fund	-	-	2.5	2	-
Health Care Access	-	-	-	-	-
Total	**-**	**-**	**2.5**	**2**	**-**

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Steve McDaniel **Date:** 5/14/2020 6:41:01 AM
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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	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	25,038	60,751	217	-
Health Care Access	-	-	645	56	-
Total	**-**	**25,038**	**61,396**	**273**	**-**
Biennial Total			**86,434**		**273**
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	25,038	60,751	217	-
Health Care Access	-	-	645	56	-
Total	**-**	**25,038**	**61,396**	**273**	**-**
Biennial Total			**86,434**		**273**
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Health Care Access	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Biennial Total			**-**		**-**

Bill Description

Section 1 requires the Commissioner of the Department of Human Services (DHS) to provide at least a 90-day notice to lead agencies prior to the effective date of the requirement that long-term care consultation visits must occur within 20 calendar days after the date on which an assessment was requested or recommended.

Section 2 temporarily increases the number of hours that personal care assistance (PCA) workers may provide service from 275 hours per month to 310 hours per month. The temporary increase in hours expires on January 31, 2021 or 60 days after the peacetime emergency ends, whichever is earlier.

Section 3 temporarily increases nonemergency medical transportation (NEMT) rates by 50 percent for all modes except client reimbursement, volunteer transport, and unassisted transport provided by public transit. Managed care organizations (MCOs) are directed to implement the temporary increase reimbursements to NEMT providers and the Commissioner of DHS is directed to amend MCO contracts as necessary to maintain the MCOs' expected medical loss ratios. The temporary rate increase expires on January 31, 2021 or 60 days after the peacetime emergency ends, whichever is earlier.

Section 4 provides an appropriation of 25,000,000 in fiscal year 2020 from the general fund to the commissioner of human services for emergency retention grants to providers of specified eligible services. This section specifies eligible service providers, application requirements for the funds, allowable uses of the funds, interaction with other funding sources, and recoupment requirements.

This section specifies that providers receiving the funds may continue to bill for services provided and requires the commissioner of DHS to establish temporary alternative service standards.

This section also requires the department to seek approval of all appropriate federal waivers, waiver plan amendments, and state plan amendments to maximize federal financial participation.

Section 5 sets a temporary 15 percent increase in the rates and enhanced rates for the personal care assistance program. This rate increase is to be directed to managed care plans and county-based purchasing plans and the commissioner and capitation rates to be adjusted accordingly. Providers receiving the rate increase would be required to prepare and post a distribution plan for these additional funds. This section also requires temporary increases to the

Consumer Directed Community Support budgets and Consumer Support grants. The temporary rate increase expires on January 31, 2021 or 60 days after the peacetime emergency ends, whichever is earlier.

Section 6 provides a temporary 10 percent rate increase for a number of home and community-based services paid through the Alternative Care, Elderly Waiver, and four disability waiver programs. This rate increase is to be directed to managed care plans and county-based purchasing plans and the commissioner and capitation rates to be adjusted accordingly. Providers receiving the rate increase would be required to prepare and post a distribution plan for these additional funds. The temporary rate increase expires on January 31, 2021 or 60 days after the peacetime emergency ends, whichever is earlier.

Assumptions

Section 1: Notice Requirement

Section one is not anticipated to have a fiscal impact.

Section 2: Temporary increase in PCA service hours limit from 275 to 310 per month

Effective Date: This increase is effective the day following final enactment. This analysis assumes an effective date of May 18, 2020, the last day of the 2020 legislative session. Federal approval is not required for this change.

Duration: This increase is effective until January 31, 2021, or 60 days after the peacetime emergency declared by the governor under Minnesota Statutes, section 12.31, subdivision 2, for an outbreak of COVID-19, is terminated or rescinded by proper authority, whichever is earlier. This analysis assumes that the peacetime emergency is terminated effective June 30, 2020, and the changes in this section expire August 29, 2020. Therefore, the effective duration assumed in this fiscal note is June 15, 2020 through August 29, 2020.

In the event that the peacetime emergency continues beyond June 30, 2020, additional costs are show in the long-term considerations section of this fiscal note

Programs impacted:

- Personal Care Assistance (PCA) provided through fee-for-service and managed care
- Extended Personal Care Assistance paid through the waivers provided through the disability and Elderly waiver programs
- Personal Care Assistance provided through the Alternative Care Program

Programs **not** impacted:

- Consumer Directed Community Supports (CDCS)
- Consumer Support Grant (CSG)

Impact on PCA workers: Under current law, personal care assistance workers may not provide more than 275 hours of service per month. This bill will allow them to provide up to 310 hours per month. As a result, it is expected that workers who are already working at or near the 275 hour limit will likely provide more service. Historical data shows that about 8.1 percent of personal care assistance services are provided by workers who provide more than 260 hours of service per month.

Additional factors that limit hours of service provided by a PCA: This bill increases the limit on monthly services provided by PCA workers. However, not all workers will be able to offer a full 310 hours of service per month. There are other factors that tend to limit the amount an individual may work, and which limit the additional cost expected from this bill.

- Service Authorizations: Recipients cannot receive more service than they are authorized for. PCA services are authorized based on an assessment of a person's dependencies in activities of daily living (ADL), Level 1 behaviors, and complex health-related needs. Needs are assessed based on the circumstances in which a person needs the greatest amount of assistance. Since most workers only serve one or two individuals, PCA workers will only be able to provide additional service if the person they serve has authorized time that is not being used. If all of the individuals served by workers at or near the limit used all of their remaining service authorizations, it would be a 7.2 percent increase in services provided by these workers. However, the 310 hour limit in this bill will only allow workers to provide about 64 percent of that additional service.

- Overtime and other scheduling needs: A person working 310 hours per month would be working an average of 10 hours per day, 31 days per month. Other factors limit whether an individual can work up to that limit. For example, overtime regulations may limit the number of hours an agency is willing to schedule a worker. Additionally, personal obligations and priorities may limit the amount a person chooses or is able to work. These factors are expected to limit the estimated increase by about 50 percent.

Implementation and payment effect: This provision is effective May 18, 2020. It includes a 30 day payment effect to account for the fact that MA pays for services retrospectively. This shifts payments one month into SFY21. It is assumed that increased payments made by managed care plans will result in increased MA payments the next time capitation rates are adjusted. This is assumed to occur in fiscal year 2021.

Systems Costs: Changes are required to the claims functionality in the MMIS system to allow 310 hours instead of 275 hours for PCA workers. These systems changes are estimated to require 50 hours of work, take approximately 1-2 weeks to complete, and have a cost of a total of $4,230 for initial development. For continued support, a 20 percent level of effort ongoing is assumed. The fiscal note assumes an FFP of 29% for changes to the MMIS system.The total state share is $1,227 in FY 20.

In addition, the following assumptions are made in regard to system changes:

- Estimated duration and earliest project completion date assumes the work is prioritized relative to other legislative and ongoing IT work. If enacted, the completion date of the proposed project(s) will be dependent on the totality of enacted legislative IT work and ongoing IT work.
- The total hours assumed in this fiscal note include the projected time required to complete systems work and a 20% contingency assumption to account for unforeseen business requirements in the development and implementation process.

State Share: For most recipients, the state share of state plan PCA, the disability waivers, Elderly Waiver, and Alternative Care is approximately 50 percent. The enhanced federal match due to COVID-19 is available for payments made through June 30, 2020. Payments made in FY21 will receive the standard federal match.

Section 3: Temporary NEMT Rate Increases

Effective Date: This increase is effective the day following final enactment, or upon federal approval, whichever is later. Given the immediate needs presented to states during the COVID pandemic, the federal approval process is expedited during this time compared to the timelines and requirements states experience under typical conditions. This fiscal note assumed federal approval is received in June of 2020.

Duration: This increase is effective until January 31, 2021, or 60 days after the peacetime emergency declared by the governor under Minnesota Statutes, section 12.31, subdivision 2, for an outbreak of COVID-19, is terminated or rescinded by proper authority, whichever is earlier. This analysis assumes that the peacetime emergency is terminated effective June 30, 2020, and the changes in this section expire August 29, 2020.

In the event that the peacetime emergency continues beyond June 30, 2020, additional costs are show in the long-term considerations section of this fiscal note.

Other Timing Factors: This fiscal note also includes the following factors:

- Due to billing lags, the cost of this rate increase occurs in FY2021
- In addition, some costs occur in FY2022 due to managed care withholds

Applicable services: This bill provides a rate increase for NEMT providers during the COVID-19 emergency period. The rate increase only impacts transportation modes 3-7 (about 83 percent of total NEMT expenditures) and is applicable to NEMT provided through both FFS and managed care arrangements.

Rate Impact: Comparing the current law NEMT rate table to the proposed NEMT rate table using department claims data from SFY2019 as weights, the overall weighted average rate increase for NEMT providers is about 50 percent for transportation modes 3-7.

Section 4: COVID-19 Related Emergency Retention Grants

Effective Date and Duration: The funding for the grants is effective the day after final enactment which is assumed to be the day after the legislative session ends. The funding for the grants is available through January 31, 2021 or 60 days after the peacetime order ends whichever is earlier.

Eligible Providers: Providers of the following services under the Medical Assistance and Alternative Care programs are eligible for the grants:

- Adult day services
- Day training & habilitation
- Day support services
- Prevocational services
- Structured day
- Employment exploration services
- Employment development services
- Employment support services
- Children's therapeutic supports and services
- Early intensive developmental and behavioral intervention
- Nonemergency medical transportation services

Administrative Impact: Two FTEs are necessary to administer this grant program. FTEs will be responsible for developing and administering the application process, reviewing attestations submitted by providers, finalizing and awarding grant funds, providing oversight activities, seeking federal financial participation when applicable and recouping any excess payments to providers. The two FTEs are estimated to be temporary MAPE level 15 level 12. Due to the immediate work needed, these employees would need the skills to readily adopt to grant processes prescribed by the department and state policy. The FTEs would be hired for a year; 10 months in fiscal year 2021 with a two month delay and 2 months in fiscal year 2022.

The table below illustrates the salaries, fringe and overhead costs required:

	FY 21	FY 22
Salary	146,995	29,399
Fringe	44,099	8,820
Overhead	53,840	5,172
Total	244,934	43,391
FFP	(78,379)	(13,885)
Total	166,555	29,506

Federal Financial Participation: This bill requires DHS to maximize federal financial participation. If federal approval is obtained for any of the payments authorized in this section, the federal match dollars will be made available to be spent for emergency retention grants as specified in this section in addition to the $25,000,000 state appropriation included in this bill.

Section 5: Temporary rate increase for Personal Care Assistance

Effective Date: This increase is effective the day following final enactment, or upon federal approval, whichever is later. Given the immediate needs presented to states during the COVID pandemic, the federal approval process is expedited during this time compared to the timelines and requirements states experience under typical conditions. This analysis assumes that federal approval will be obtained by June 15, 2020. This increase is effective the day following final

enactment, or upon federal approval, whichever is later.

Duration: This increase is effective until January 31, 2021, or 60 days after the peacetime emergency declared by the governor under Minnesota Statutes, section 12.31, subdivision 2, for an outbreak of COVID-19, is terminated or rescinded by proper authority, whichever is earlier. This analysis assumes that the peacetime emergency is terminated effective June 30, 2020, and the changes in this section expire August 29, 2020. Therefore, the effective duration assumed in this fiscal note is June 15, 2020 through August 29, 2020.

In the event that the peacetime emergency continues beyond June 30, 2020, additional costs are show in the long-term considerations section of this fiscal note.

Programs impacted:

- Personal Care Assistance (PCA) provided through fee-for-service and managed care
- Extended Personal Care Assistance paid through the waivers provided through the disability and Elderly waiver programs
- Personal Care Assistance provided through the Alternative Care Program
- Consumer Directed Community Supports (CDCS)
- Consumer Support Grant (CSG)

Payment Impact: This bill provides a temporary 15 percent increase to rates and enhanced rates for direct support services provided through the PCA program in response to the COVID-19 crisis.

Implementation and payment effect: This provision is effective the day following final enactment or upon federal approval, whichever is later. This analysis assumes an effective date of June 15, 2020. An additional 30 day payment effect has been included to account for the fact that MA pays for services retrospectively. As a result, all of the payments will occur in FY21 including the managed care payments.

State Share: For most recipients, the state share of state plan PCA, the disability waivers, Elderly Waiver, and Alternative Care is approximately 50 percent. The enhanced federal match due to COVID-19 is available for payments made through June 30, 2020. Since the payments from this rate increase would occur after that, it will not receive the enhanced match.

Administration costs: This bill requires agencies to create a distribution plan for a period of at least six weeks to which all direct support professionals have access.

This bill requires provider agencies to post with the distribution plan instructions on how to file an appeal with the commissioner if direct support professionals do not believe they have received the wage increase specified in the distribution plan. The bill requires agencies to provide a phone number, mailing address, and email address that direct support professionals can use to contact the DHS for questions or concerns. It is assumed that this will be an internal review process that is distinct from the administrative and judicial review of human services matters, outlined in Minn. Stat. 256.045. If this is intended to be a formal appeal process pursuant to 256.045, with due process requirements, the language would need to reference other areas of statute and would require additional administrative resources.

Due to the nature of the COVID19 crisis, this need will be filled with having an existing employee or employees working overtime. This work will have to be completed quickly. It is assumed that this overtime will be the value of a .25 of FTE at a MAPE level 11 to respond to these questions and concerns. The following table shows the breakout of the costs of the FTE.

	FY2020	FY2021	FY2022	FY2023
.25 FTE @ MAPE Level 11, step 10-time and a half	0	25,674	0	0
Fringe Benefits @ 30%- only on actual salary	0	5,135	0	0
Overhead @ 14K up front and /1.3K per month per FTE-existing employee	0	0	0	0
Total Estimated Staffing Costs	0	30,810	0	0
FFP @ 32%		(9,859)		
Net cost		20,950	0	0

Section 6: Temporary HCBS rate increase

Effective Date: This increase is effective the day following final enactment, or upon federal approval, whichever is later. Given the immediate needs presented to states during the COVID pandemic, the federal approval process is expedited during this time compared to the timelines and requirements states experience under typical conditions. This analysis assumes that federal approval will be obtained by June 15, 2020.

Duration: This increase is effective until January 31, 2021, or 60 days after the peacetime emergency declared by the governor under Minnesota Statutes, section 12.31, subdivision 2, for an outbreak of COVID-19, is terminated or rescinded by proper authority, whichever is earlier. This analysis assumes that the peacetime emergency is terminated effective June 30, 2020, and the changes in this section expire August 29, 2020. Therefore, the effective duration assumed in this fiscal note is June 15, 2020 through August 29, 2020.

In the event that the peacetime emergency continues beyond June 30, 2020, additional costs are show in the long-term considerations section of this fiscal note.

Programs impacted: Disability Waivers (BI, CAC, CADI, and DD waivers), Elderly Waiver, and Alternative Care

Programs not impacted: Essential Community Supports

Services eligible for rate increase: 24-hour customized living, community residential services, customized living, family residential services, foster care services, integrated community supports, and supportive living services, adult day services, day training and habilitation, day support services, prevocational services, and structured day services, employment exploration services, employment development services, and employment support services, adult companion, chore services, respite services, home delivered meals, homemaker, housing access coordination, independent living skills, individualized home supports, individual community living supports, individualizing home supports with family training, individualized home supports with training, in-home family support, night supervision, personal support, and positive support services.

Implementation and payment effect: This analysis includes a 30 day payment effect to account for the fact that MA pays for services retrospectively.

This shifts payments that would have otherwise occurred in FY20 into FY21.It is assumed that increased payments made by managed care plans will result in increased MA payments the next time capitation rates are adjusted. This is assumed to occur in fiscal year 2021.

These rate increases are implemented at once and not on a rolling basis.

State Share: The state share of the costs of the disability waivers, Elderly Waiver, and Alternative Care is approximately 50 percent. The enhanced federal match due to COVID-19 is available for payments made through June 30, 2020. Payments made in FY21 will receive the standard federal match.

Administration costs: This bill requires provider agencies to create a distribution plan for a period of at least six weeks to which all direct support professionals have access. The date of the distribution plan is blank in the bill. The assumption would be that the date would be shortly after enactment of this section.

This bill requires provider agencies to post with the distribution plan instructions on how to file an appeal with the commissioner if direct support professionals do not believe they have received the wage increase specified in the distribution plan. The bill requires agencies to provide a phone number, mailing address, and email address that direct support professionals can use to contact the DHS for questions or concerns. It is assumed that this will be an internal review process that is distinct from the administrative and judicial review of human services matters, outlined in Minn. Stat. 256.045. If this is intended to be a formal appeal process pursuant to 256.045, with due process requirements, the language would need to reference other areas of statute and would require additional administrative resources.

Administering these requirements will be filled with having an existing employee or employees working overtime. This work will have to be completed quickly. It is assumed that this overtime will be the value of a 0.25 of FTE at a MAPE level 11 to respond to these questions and concerns. The following table shows the breakout of the costs of the FTE.

	FY2020	FY2021	FY2022	FY2023
.25 FTE @ MAPE Level 11, step 10-time and a	0	25,674	0	0

half				
Fringe Benefits @ 30%- only on actual salary	0	5,135	0	0
Overhead @ 14K up front and /1.3K per month per FTE-existing employee	0	0	0	0
Total Estimated Staffing Costs	0	30,810	0	0
FFP @ 32%		(9,859)		
Net cost		20,950	0	0

Section 3, 5 and 6 Actuarial costs:

This bill directs managed care plans and county based purchasing plans to implement the temporary rate increases in sections 3, 5 and 6. An estimated $50,000 is needed to increase the existing actuarial contract which is administered under the Health Care Administration. The actuarial costs are needed to adjust capitation rates paid to managed care plans and county-based purchasing plans and amend the managed care contracts.

Section 6 & 7 Systems costs:

Systems changes are needed to temporarily increase rates in service claims.These systems changes are estimated to require 274 hours of work, and will have a cost of a total of $23,186 for initial development. There is no ongoing support needed for this work.The fiscal note assumes an FFP of 29% for changes to the MMIS system.The total state share $6,724 in FY 20.

In addition, the following assumptions are made in regard to system changes:

- Estimated duration and earliest project completion date assumes the work is prioritized relative to other legislative and ongoing IT work. If enacted, the completion date of the proposed project(s) will be dependent on the totality of enacted legislative IT work and ongoing IT work.
- The total hours assumed in this fiscal note include the projected time required to complete systems work and a 20% contingency assumption to account for unforeseen business requirements in the development and implementation process.
- The 10% HCBS and 15% PCA rate increase code is time sensitive and will be closed after the set date expires.

Expenditure and/or Revenue Formula

Fiscal Impact of Sections 2, 4, 5, and 6

	FY 2020	FY 2021
Section 2: Increasing the PCA worker limit from 275 to 310 hours temporary(not including CSG or CDCS)	**FY 2020**	**FY 2021**
PCA Base	517,353,262	562,756,345
Percentage of spending for services provided by PCAs working 260-275 hours per month	8.1%	8.1%
Total spending for services provided by PCAs working near the 275 hour limit	42,001,254	45,687,297
Percentage increase for remaining authorized time for individuals served by workers near the limit	7.2%	7.2%
Cost of increase for remaining authorized time for individuals served by workers near the limit	3,033,927	3,300,185
Proportion of remaining authorization that would be used if those workers increase their time to the new limit	64%	64%
Cost of remaining authorization that would be used if those workers increase their time to the new limit	1,940,147	2,110,415
Impact of over time rule on payroll budgets and other factors that affect the amount to time an individual is able to work	50%	50%

Increase in spending as a result of increased limit	970,074	1,055,208
Implementation & Payment Effect (Assumes May 18 enactment-August 29th)	4%	25%
Net Cost	40,420	263,802
PCA fee-for-service	*30,315*	*197,851*
PCA managed care- FY 20	*9,701*	
PCA managed care- FY 21		*63,312*
PCA AC fee-for-service	*404*	*2,638*
Total	*40,420*	*263,802*
Shift MC-FY 20 to FY 21	*(9,701)*	*9,701*
Section 2: Net State MA cost From increasing the limit	**30,719**	**273,503**
Section 4: Appropriation for COVID-19 related emergency retention grants for Disability Services		
Net Appropriation for Disability Services (FY 2020)	**25,000,000**	**-**
DSD admin costs- 2 FTE's Level 15		**244,934**
FFP @32%	**-**	**(78,379)**
Section 4: Subtotal	25,000,000	166,555
Section 5: Temporary Rate increase for PCA	**FY 2020**	**FY 2021**
PCA Base State Share (including CSG and CDCS)	717,724,886	778,571,146
Percentage Increase	15%	15%
Total cost from temporary increase	107,658,733	116,785,672
Implementation & Payment Effect (June 15-August 29)	0%	21%
Net Cost	-	24,330,348
PCA fee-for-service	-	*18,247,761*
PCA managed care	-	*5,839,284*
PCA AC fee-for-service	-	*243,303*
Section 5: Net State MA cost from temporary rate increase	**-**	**24,330,348**
Section 6: Temporary Rate increase for HCBS (Residential, Day, Employment, and Unit Based Services)		
Alternative Care (AC)	**FY 2020**	**FY 2021**
AC Forecasted Spending (May 2020 Spending Update)	35,779,872	39,243,519

Percentage of Spending Eligible for Rate Increase	23%	23%
Spending Eligible for Rate Increase	8,074,130	8,855,741
Rate Increase (10%)	10%	10%
Estimated Annual Cost of Rate Increase	807,413	885,574
Elderly Waiver (EW)		
EW Forecasted Spending (May 2020 Spending Update)	485,667,084	456,066,666
Percentage of Spending Eligible for Rate Increase	86%	86%
Spending Eligible for Rate Increase	418,706,164	393,186,877
Rate Increase (10%)	10%	10%
Estimated Annual Cost of Rate Increase	41,870,616	39,318,688
fee for service	4,187,062	3,931,869
managed care	37,683,555	35,386,819
Disability Waivers (BI, CAC, CADI, & DD)		
Disability Waivers Forecasted Spending (May 2020 Spending Update)	3,026,427,664	3,283,962,732
Percentage of Spending Eligible for Rate Increase	82%	82%
Spending Eligible for Rate Increase	2,480,136,420	2,691,184,616
Rate Increase (10%)	10%	10%
Estimated Annual Cost of Rate Increase	248,013,642	269,118,462
Total Cost of 10% Rate Increase for Select HCBS Services	290,691,671	309,322,723
Payment & Implementation Effect	0%	21%
Net Cost	-	64,442,234
Section 6: Net State MA cost from temporary HCBS rate increase	-	32,221,117
fee for service	-	*28,534,990*
managed care	-	*3,686,127*
Ongoing monthly cost (state share)		*2,685,093*
Section 2: Systems cost for increasing the temporary limit	4,230	
State Share Systems (MMIS 29%)	**1,227**	
Section 5 and 6: Systems for rate increases for PCA and HCBS	**23,186**	-
State Share Systems (MMIS 29%)	6,724	-
Section 5 and 6: Provider enrollment/DSD		
Admin for HCA actuarial		50,000
Total Estimated Staffing Costs- .5 FTE for PCA/HCBS increase		61,620
FFP (32%)	-	(35,718)
State share Admin Cost	**-**	**75,902**
Net State Cost	**25,038,670**	**57,067,425**

Fiscal Impact of Section 3

	FY 2020	FY 2021	FY 2022	FY 2023
Months of fiscal effects:				
Fee for service	0	3	0	0
Managed care	0	3	0	0
May 2020 Budget Projection				
Medical Assistance	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fee for Service:				
Access Services (Modes 3-7)	$24,773,017	$24,328,063	$25,260,459	$26,197,644
Medical Assistance	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Managed Care:				
Access Services (Modes 3-7)				
MA Elderly and Disabled	$12,207,528	$12,497,240	$13,273,359	$12,157,626
MA Adults without Kids	$13,596,050	$13,878,143	$16,693,747	$14,763,212
MA Families with Children	$20,683,299	$19,305,315	$23,558,664	$22,170,266
MinnesotaCare	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Managed Care:				
Access Services (Modes 3-7)	$3,834,390	$5,161,095	$5,456,367	$5,052,292
Impact of Rate Increase				
Medical Assistance	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
MA Elderly and Disabled HMO	$0	$1,562,838	$0	$0
MA Elderly and Disabled HMO perf. pmt.	$0	$0	$135,899	$0
Total Elderly and Disabled	$0	$1,562,838	$135,899	$0
Federal share %	50.00%	50.00%	50.00%	50.00%
Federal share	$0	$781,419	$67,949	$0
State Share	$0	$781,419	$67,949	$0
MA Adults w. no Children HMO	$0	$1,735,527	$0	$0
MA Adults w. no Children HMO perf. pmt	$0	$0	$150,915	$0
Total Adults w. no Children	$0	$1,735,527	$150,915	$0
Federal share %	90.00%	90.00%	90.00%	90.00%
Federal share	$0	$1,561,974	$135,824	$0
State Share	$0	$173,553	$15,092	$0
MA Families with Children FFS	$0	$3,042,338	$0	$0
MA Families with Children HMO	$0	$2,414,220	$0	$0
MA Families with Children HMO perf.	$0	$0	$209,932	$0

pmt				
Total Families with Children	$0	$5,456,558	$209,932	$0
Federal share %	50.00%	50.00%	50.00%	50.00%
Federal share	$0	$2,728,279	$104,966	$0
State Share	$0	$2,728,279	$104,966	$0
Total MA State Share	$0	$3,683,251	$188,007	$0
MinnesotaCare	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
MnCare HMO	$0	$645,419	$0	$0
MnCare HMO perf. pmt	$0	$0	$56,123	$0
Total MnCare	$0	$645,419	$56,123	$0
Effective state funding %	100.00%	100.00%	100.00%	100.00%
Federal funding (BHP Trust Fund)	$0	$0	$0	$0
State funding (HCAF)	$0	$645,419	$56,123	$0

Fiscal Tracking Summary ($000's)

Fund	BACT	Description	FY2019	FY2020	FY2021	FY2022
GF	33	MA Grants			3,683	188
HCAF	31	MinnesotaCare Grants			645	56
GF	33 LW	MA LW PCA (FFS) (75%)		30	18,453	
GF	33 LW	MA ED PCA (MC) (24%)		-	5,905	
GF	33 LW	AC PCA (1%)		-	246	
GF	33 LW	MA LW HCBS (FFS)		-	28,443	
GF	33 LW	MA ED HCBS (MC)		-	3,686	
GF	33 LW	AC HCBS		-	92	
GF	51	Health Care Grants (appropriation)		25,000		
GF	13	HCA actuarial costs: PCA/HCBS/NEMT Rate increase		-	50	
GF	15	CSA admin: 2 FTEs to implement Retainer grants and 0.5 FTE for PCA/HCBS rate increase		-	307	43
GF	REV1	Admin FFP (@32%)		-	(114)	(14)
GF	11	Systems		8	-	
		Total Net Fiscal Impact	**0**	**25,038**	**61,396**	**273**
		Full Time Equivalents			2.5	2

Long-Term Fiscal Considerations

Section 2 has ongoing monthly costs of around 44 thousand if this provision extends beyond the peacetime emergency.

Section 3 has ongoing monthly costs of around 1.3 million to the general fund and 230 thousand to the Health Care Access Fund if this provision extends beyond the peacetime emergency.

Section 4 is a one-time appropriation that does not have any ongoing costs.

Section 5 has ongoing monthly costs of around 9.7 million if this provision extends beyond the peacetime emergency.

Section 6 has ongoing monthly costs of around 12.9 million if this provision extends beyond the peacetime emergency.

Federal funding for Alternative Care in the February 2020 January 2025 period is provided under an 1115 waiver and is subject to an aggregate cap based on EW expenditures. If changes in this bill are effective beyond the current assumed peaceime emergency duration, changes in this bill could bring total spending closer to the aggregate cap.

Local Fiscal Impact

References/Sources

May 2020 Forecast

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