

# Department of Planning and Budget 2002 Fiscal Impact Statement

**1. Bill Number** SB428

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron** Ticer

**3. Committee** Education and Health

**4. Title** Family Access to Medical Insurance Security (FAMIS) Plan

**5. Summary/Purpose:**

This bill requires the Department of Medical Assistance Services (DMAS) to incorporate into the FAMIS Plan certain services covered by Medicaid, in the same manner and with the same coverage and limitations, as those provided to covered individuals with mental retardation or related conditions under Medicaid. This bill provides for day health and rehabilitation services providing individualized activities, support, training, supervision, and transportation, based on a written plan of care for two or more hours per day scheduled multiple times per week.

**6. Fiscal Impact Estimates are: Preliminary**

6a. Expenditure Impact: (see Section 8)

***Item 324, Subprogram 44602***

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$0	0.0	GF
2001-02	\$0	0.0	NGF
2002-03	\$568,119	0.0	GF
2002-03	\$1,080,036	0.0	NGF
2003-04	\$587,879	0.0	GF
2003-04	\$1,109,720	0.0	NGF

***Item 324, Subprogram 44603***

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$0	0.0	GF
2001-02	\$0	0.0	NGF
2002-03	\$34,470	0.0	GF
2002-03	\$65,530	0.0	NGF
2003-04	\$0	0.0	GF
2003-04	\$0	0.0	NGF

***Total Department of Medical Assistance Services***

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$0	0.0	GF
2001-02	\$0	0.0	NGF
2002-03	\$602,589	0.0	GF
2002-03	\$1,145,566	0.0	NGF
2003-04	\$587,879	0.0	GF
2003-04	\$1,109,720	0.0	NGF

6b. Revenue Impact: None

**7. Budget amendment necessary:** Yes, Item 324, Subprograms 44602 and 44603

**8. Fiscal implications:**

This bill would require day health and rehabilitation services to be added to Virginia's Title XXI State Plan.

***FAMIS Plan Payments***

To estimate the cost of services required by this bill, DMS used estimated FY 2003 costs for similar services offered to eligible Mental Retardation (MR) Waiver clients, who are under 21 years old. These services included day health/habilitation (day support), support (respite care), and supervision (personal care). The FY 2003 estimate came from the MME 372 used by DMS to request MR Waiver renewals from the Centers for Medicare and Medicaid Services (CMS). The estimated FY 2003 costs for these three services are approximately \$1.4 million. In addition, DMS assumed that approximately half of the day support recipients (71) would require transportation. The transportation broker currently being used by DMS estimated that each recipient would require approximately 200 round trips per year at an average cost of \$6.00 per round trip. While the estimated round trip cost may seem high, it takes into consideration the longer distances that will need to be traveled in Southwestern Virginia. The total estimated cost of transportation for FY 2003 is \$852,000. By taking the estimated unduplicated eligibles for FY 2003 and dividing them into the estimated costs, DMS arrived at a cost per eligible for FY 2003 of \$3,663.

In FY 2001, there were 370 recipients in the FAMIS program with a diagnosis of mental retardation, as indicated through claim/encounter data files. This number included the health maintenance organization (HMO) population. However, DMS believes that many clients may not have their mental retardation diagnosis identified in claims files. By taking a demographic extrapolation of its data, DMS determined that approximately one percent of Virginia's population has some form of mental retardation. The current FY 2003 forecast for FAMIS enrollees is approximately 45,000. DMS applied this one percent assumption to the FY 2003 FAMIS forecast to estimate that approximately 450 FAMIS enrollees could have some form of mental retardation, and would, therefore, benefit from this bill. The estimated cost for these individuals is approximately \$1.6 million (\$568,119 GF). DMS expects costs to increase by approximately three percent between FY 2003 and FY 2004 due to growth in the eligible population. Adjusting the FY 2003 estimate by three percent, the estimated cost in FY 2004 is expected to be \$1.7 million (\$587,879 GF).

***FAMIS Plan Administration***

DMS estimates that modification to its Medicaid Management Information System (MMIS) would need to occur to allow for new provider reimbursements for FAMIS clients. In addition, the current managed care service delivery system for FAMIS is not set up to provide these kinds of services. The agency believes that contractual and reimbursement changes would be required and estimates that it will take approximately \$80,000 (\$34,470 GF) to ensure that the program changes are implemented.

**9. Specific agency or political subdivisions affected:** DMS

**10. Technical amendment necessary:** Yes. Services required by this bill are not currently covered in the Virginia's State Plan.

**11. Other comments:** This bill is the companion bill to HB 1087. It has been continued to 2003 in the Committee on Education and Health.

**Date:** 01/31/02/sas

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cc:Secretary of Health and Human Resources