

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB 1086

House of Origin X Introduced ___ Substitute ___ Engrossed
 Second House ___ In Committee ___ Substitute ___ Enrolled

2. Patron: Crockett-Stark

3. Committee: Appropriation

4. Title: Comprehensive Services Act State Pool Funding Match Rates

5. Summary: Requires that local government match rates for all services purchased by the local government for at-risk youth under the Comprehensive Services Act (CSA), including public and private congregate care services and community based services, must be the same rate regardless of the locality or nature of the services.

6. Fiscal Impact Estimates: See fiscal implications

7. Budget Amendment Necessary: No.

8. Fiscal Implications: Under the Comprehensive Services Act (CSA) § 2.2-5200, local governments and the Commonwealth share in the cost of services purchased for at-risk youth. The Appropriation Act establishes these match rates not the Code of Virginia. Beginning in July 2008, the Appropriation Act was changed to require local governments to pay a greater local share when buying congregate care services versus community based services in an effort to encourage the use of the community based services rather than services in a congregate setting. This bill attempts to equalize match rates across localities and service categories. However, because the Comprehensive Services Act funding local match rates are prescribed by the Appropriation Act and not the Code, the bill as written would have no effect as long as the current language remained in the Appropriation Act.

However, should Appropriation Act language be modified to match the language in the bill, the annual fiscal impact could range from approximately \$127.4 million in costs assuming a 100 percent state supported program to \$127.4 million in savings based on a 100 percent local government supported program

Because the legislation is silent on the exact amount of the proposed local match rate, it is impossible to determine a definite fiscal impact. The total anticipated additional biennial cost to eliminate the entire local match would be \$254,725,606.

9. Specific Agency or Political Subdivisions Affected:

- Office of Comprehensive Services
- Local governments

10. Technical Amendment Necessary: As this bill does not prescribe a replacement local match rate, it would leave the cost sharing requirements to be established in the Appropriation Act. Since this is the current practice, this bill may not have any impact.

11. Other Comments: Federal regulations related to the increased federal match for Medicaid services authorized in the federal American Recovery and Reinvestment Act of 2009 prohibit any locality from paying a higher percentage of any Medicaid expenditures than they paid as of September 30, 2008. This prohibition is set to expire on December 31, 2010.

Date: 02/01/2010

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