

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1494 - HB 1542

January 28, 2018

SUMMARY OF BILL: Requires an eligible person with an intellectual or developmental disability who is on the referral list for services and whose older custodial parent, or custodial caregiver, attains 75 years of age to be enrolled in the Employment and Community First (ECF) Choices Group 5 or a similarly capped home and community based services (HCBS) program within six months of the person's parent or caregiver attaining 75 years of age.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$2,011,400/FY18-19
\$3,017,100/FY19-20 and Subsequent Years**

**Increase Federal Expenditures - \$3,879,900/FY18-19
\$5,819,800/FY19-20 and Subsequent Years**

Assumptions:

- The proposed legislation updates Tenn. Code Ann. § 33-5-112 to reflect the closure of the Self-Determination Waiver and the shift to referring eligible persons to the ECF Choices program or a similarly capped HCBS program.
- The Division of TennCare (Division) is the administering agency for ECF Choices and HCBS programs.
- It is estimated there will be an initial enrollment of 100 members in FY18-19 and an additional 50 members in FY19-20, resulting in 150 members in either the ECF Choices Group 5 or Group 6. It is estimated enrollment will level off at 150 members in FY19-20 and subsequent years. Ten percent of the members will require the higher level of support in Group 6 and the remaining 90 percent will require lower level services in Group 5. In FY18-19, ten members (100 x 10.0%) will be enrolled in Group 6 services and 90 members (100 x 90.0%) will be enrolled in Group 5 services. In FY19-20 and subsequent years, fifteen members (150 x 10.0%) will be enrolled in Group 6 services and 135 members (150 x 90.0%) will be enrolled in Group 5 services.
- The per member per month (PMPM) cost is \$4,102 for Group 5 services and \$12,176 for Group 6 services.
- The total increase in expenditures for the Division in FY18-19 is estimated to be \$5,891,280 [(10 members x \$12,176 PMPM x 12 months) + (90 members x \$4,102

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PMPM x 12 months)]. Medicaid expenditures receive matching funds at a rate of 65.858 percent federal funds and 34.142 percent state funds. Of this amount, \$2,011,401 (\$5,891,280 x 34.142%) will be state funds and \$3,879,879 (\$5,891,280 x 65.858%) will be federal funds.

- The total increase in expenditures for the Division in FY19-20 and subsequent years is estimated to be \$8,836,920 [(15 members x \$12,176 PMPM x 12 months) + (135 members x \$4,102 PMPM x 12 months)]. Of this amount, \$3,017,101 (\$8,836,920 x 34.142%) will be state funds and \$5,819,819 (\$8,836,920 x 65.858%) will be federal funds.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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