

## STATEMENT OF PURPOSE

### RS26356

This is the FY 2019 original appropriation bill and the FY 2018 supplemental appropriation bill for the Department of Health and Welfare, Division of Medicaid. For FY 2019 it appropriates \$2,445,650,500, limits the number of authorized full-time equivalent positions at 216.00, and provides for nine sections of legislative intent language. For FY 2018 the bill provides for a net increase of \$58,296,900.

For FY 2019, the bill includes the following adjustments. For benefit costs, the bill removes \$1,450 per eligible FTP to bring the annual employer contribution for health insurance down to \$11,650 by including a two-month employee and employer premium holiday, adds a 6.8% increase for life insurance, and adjusts funding for workers' compensation in amounts that vary by agency. For statewide cost allocation, \$4,700 is reduced for risk management costs. An annualization of \$8,088,700 is provided for the rate increase for community-based providers that provide personal care services. The bill also provides funding for a 3% ongoing merit-based salary increase for permanent employees, to be distributed at the discretion of the director, and a 3% increase in the compensation schedule. The bill funds eight line items. The first line item adds \$2,000,000 for the MMIS independent verification. The second line item provides \$1,181,600 for the Jeff D. Settlement implementation; these moneys were transferred from the Children's Mental Health Program. The third line item provides \$2,553,000 for the provider-data software improvements. The fourth line item reduces \$1,126,700 for the infant toddler early intervention services that were transferred to the Community Developmental Disability Services Program. The fifth line item provides \$2,892,000 for provider enrollment changes. The sixth line item provides \$1,613,300 for a rate increase for developmental disability agencies that provide services for children. The seventh line item provides \$5,202,500 for a rate increase for assisted living facilities that provide personal care services. The eighth line item provides \$4,648,300 for residential habilitation agencies that provide supported living services. The intent language included in the bill limits transfers of the appropriation, provides for various reports, provides for a rate study for non-emergency medical providers, and requires cost-sharing for services related to children that are diagnosed with a serious emotional disturbance and have a family income between 185% to 300% of the federal poverty limit.

For FY 2018 the bill provides for \$311,500 to continue implementing the KW v. Armstrong lawsuit; \$56,329,200 to cover the funding shortfall that occurred at the end of FY 2017; a shift of \$25,000,000 from dedicated fund appropriation to the General Fund and federal funds; and \$1,656,200 for a rate increase for community-based providers that provide personal care services.

### FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	216.00	531,903,900	328,070,300	1,425,334,400	2,285,308,600
1. Backfill FY 2017 Held Payments	0.00	9,269,200	9,103,700	37,956,300	56,329,200
2. Receipt Authority Fund Shift	0.00	7,186,200	(25,000,000)	17,813,800	0
3. KW Lawsuit Compliance	0.00	155,800	0	155,700	311,500

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7. Community-Based Personal Care Svcs	0.00	477,500	0	1,178,700	1,656,200
FY 2018 Total Appropriation	216.00	548,992,600	312,174,000	1,482,438,900	2,343,605,500
Removal of Overtime Expenditures	0.00	(9,492,800)	(9,103,700)	(38,703,300)	(57,299,800)
FY 2019 Base	216.00	539,499,800	303,070,300	1,443,735,600	2,286,305,700
Benefit Costs	0.00	(110,600)	0	(166,700)	(277,300)
Statewide Cost Allocation	0.00	(2,300)	0	(2,400)	(4,700)
Annualizations	0.00	2,335,900	0	5,752,800	8,088,700
Change in Employee Compensation	0.00	166,800	0	244,700	411,500
Nondiscretionary Adjustments	0.00	37,998,200	0	94,164,400	132,162,600
FY 2019 Program Maintenance	216.00	579,887,800	303,070,300	1,543,728,400	2,426,686,500
6. MMIS Independent Verification	0.00	0	200,000	1,800,000	2,000,000
7. Jeff D Settlement Implementation	0.00	1,181,600	0	0	1,181,600
15. Provider-Data Software Improvements	0.00	63,300	230,000	2,259,700	2,553,000
27. Infant Toddler Early Intervention Svcs	0.00	(321,100)	0	(805,600)	(1,126,700)
33. Provider Enrollment Changes	0.00	0	289,200	2,602,800	2,892,000
38. Children's DDA Rate Change	0.00	465,800	0	1,147,500	1,613,300
39. Asst Living Facility - Personal Care Svcs	0.00	1,502,000	0	3,700,500	5,202,500
57. Provider Rate Incrs - Supported Living	0.00	1,342,000	0	3,306,300	4,648,300
FY 2019 Total	216.00	584,121,400	303,789,500	1,557,739,600	2,445,650,500
Chg from FY 2018 Orig Approp	0.00	52,217,500	(24,280,800)	132,405,200	160,341,900
% Chg from FY 2018 Orig Approp.	0.0%	9.8%	(7.4%)	9.3%	7.0%

**Contact:**

Jared Tatro  
 Budget and Policy Analysis  
 (208) 334-4740

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