

STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Stephen C. Tool
Executive Director

August 1, 2006

The Honorable Bernie Buescher, Chairman
Joint Budget Committee
200 East 14th Avenue, 3rd Floor
Denver, CO 80203

Dear Representative Buescher:

Enclosed please find a report to the majority and minority leadership in each house of the General Assembly and to the Joint Budget Committee on the status of Health Care Policy and Financing's implementation of S.B. 04-177, H.B. 05-1015, H.B. 05-1066, H.B. 05-1131, and H.B. 05-1243. This report is provided pursuant to Footnote 20b of the Long Bill, HB 06-1385:

The Department is requested to provide a status report on the implementation schedules and anticipated FY 2006-07 fiscal impact for the following legislation: S.B. 04-177, H.B. 05-1015, H.B. 05-1066, H.B. 05-1131, and H.B. 05-1243. This report is requested to be submitted to the majority and minority leadership in each house of the General Assembly and to the Joint Budget Committee by no later than August 1, 2006.

For each of the bills specified above, the enclosed report includes a summary of the original implementation schedule, a description of the bill's current status and estimated fiscal impact. In addition, a summary of fiscal impact is attached in Exhibit A. As noted in the report, one of the bills (HB 05-1066) is no longer scheduled for implementation due to the lack of gifts, grants or donations as required by the act for the Department to proceed.

"The mission of the Department of Health Care Policy & Financing is to purchase cost-effective health care for qualified, low-income Coloradans."

<http://www.chcpf.state.co.us>

Honorable Bernie Buescher
August 1, 2006
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Questions regarding the *Implementation of Special Bills* report can be addressed to Julie Collins, Fiscal Note Coordinator at julie.collins@state.co.us. Her telephone number is (303) 866-4772.

Sincerely,

Stephen C. Tool
Executive Director

SCT:jc

Enclosure(s)

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Cc: Senator Abel Tapia, Vice-Chairman, Joint Budget Committee
Senator Moe Keller, Joint Budget Committee
Senator Dave Owen, Joint Budget Committee
Representative Jack Pommer, Joint Budget Committee
Representative Dale Hall, Joint Budget Committee
Senator Joan Fitz-Gerald, President of the Senate
Senator Ken Gordon, Senate Majority Leader
Senator Andy McElhany, Senate Minority Leader
Representative Andrew Romanoff, Speaker of the House
Representative Alice Madden, House Majority Leader
Representative Mike May, House Minority Leader
John Ziegler, JBC Staff Director
Melodie Beck, JBC Analyst
Henry Sobanet, Director, Office of State Planning and Budgeting
Luke Huwar, Budget Analyst OSPB
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John Bartholomew, Budget Director
Lisa Esgar, Operations and Finance Office
Barbara Prehmus, Medical Assistance Office
Ginny Brown, Legislative Liaison/Public Information Officer
HCPF Budget Library, HCPF Division



**COLORADO DEPARTMENT OF HEALTH CARE
POLICY AND FINANCING**

**REPORT TO GENERAL ASSEMBLY AND JOINT BUDGET
COMMITTEE**

IMPLEMENTATION OF SPECIAL BILLS

August 1, 2006

Introduction

Footnote 20b of the 2006 long appropriations bill (HB 06-1385) requested a report to the General Assembly and Joint Budget Committee concerning the status of implementation of the following bills by the Department of Health Care Policy and Financing:

- SB 04-177 Home and Community Based Services for Children with Autism
- HB 05-1015 Substance Abuse Treatment under Medicaid
- HB 05-1066 Obesity Treatment Under Medicaid
- HB 05-1131 Redispensing Specified Unused Medications
- HB 05-1243 Consumer-Directed Care Under Medicaid

For each of these bills, a report follows of the original implementation schedule, a description of the bill's current status and estimated fiscal impact. A summary of fiscal impact is attached in Exhibit A. As noted below, one of the bills (HB 05-1066) is no longer scheduled for implementation due to the lack of gifts, grants or donations as required by the act for the Department to proceed.

SB 04-177 Home- and Community-Based Services for Children with Autism

Summary of Legislation

This bill establishes the "Home and Community Based Services (HCBS) for Children with Autism Act" and requires the Department to seek necessary federal authorization. It includes the following provisions:

- defines children eligible to receive services;
- limits the provision of services to a period of 3 years and allows the services to be extended for an additional year by the Department, if medically necessary;
- specifies that no child may receive services in an amount exceeding \$25,000 annually;
- requires the Department to use the services of existing service provider agencies and limits the amount a service provider agency may retain for administrative costs to 15 percent of the established service reimbursement rate;
- creates the Colorado Autism Treatment Fund to be comprised of tobacco settlement moneys; and
- limits the provision of services under the act to available appropriations from the Colorado Autism Treatment Fund.

Summary of Fiscal Impact

The bill was assessed at having a fiscal impact to the Department of \$851,181 and 1.0 FTE in FY 2005-06 in the April 6, 2004 version of the Legislative Council fiscal note. The bill's cost components were identified as follows:

FY 2004-05 — no expenditures. The fiscal note assumed that a 1915(c) waiver application would be written using existing staff resources. It was estimated the waiver would be submitted in January 2005, with federal approval received by the Centers for Medicare and Medicaid Services (CMS) 6 months later in July 2005.

FY 2005-06 — administrative expenditures of \$306,181. It was estimated the Department would require 1.0 FTE General Professional IV beginning July 2005. This position was needed to draft rules, draft and negotiate contracts with community centered boards, provide training and technical assistance, monitor and track the waiting list, and design and oversee systems changes and testing. Additional costs for modifications to the Medicaid Management Information System (MMIS) and the Colorado Benefits Management System (CBMS) were also estimated. For MMIS, a new waiver type, prior authorization review (PAR) type, procedural codings, and the addition of a new federal waiver reporting requirement were needed. For CBMS, new decision tables and set operation builder routines were needed. System changes would require approximately 6 months to complete, and had to be finalized before children could begin receiving services. Other administrative costs included SSI disabled disability determinations, prior authorization reviews for services, claims processing, and contracts with community centered boards.

FY 2005-06 — medical services expenditures of \$545,000 (6 months of services). It was estimated that a 1915(c) waiver would be required to cap enrollment and demonstrate budget neutrality. The bill specified that no child could receive services in an amount exceeding \$25,000 annually. Because the bill limited the provision of services under the act to available appropriations from the Colorado Autism Treatment Fund, it was estimated that 75 children could be served as follows:

- 25 would come from waiting lists at a cost of \$25,000 annually (these children were not receiving any services at the time);
- 25 would come from both the Children’s HCBS waiver program and the Children’s Extensive Support waiver program at a cost of \$6,374 annually (these children were receiving services that cost \$18,626 annually); and
- 25 would be children currently served in the Medicaid program in the SSI Disabled category with a diagnosis of autism at a cost of \$12,226 annually (these children were receiving services that cost \$12,774 annually).

For the 25 children who were not currently receiving any services, the fiscal note assumed that moneys in the Colorado Autism Treatment Fund would provide funding for both the services specific to a diagnosis of autism and the standard medical services benefits for Medicaid eligible clients. It was estimated that the state’s share for this Medicaid expansion would be covered entirely by moneys in the Colorado Autism Treatment Fund.

Original Fiscal Impact Summary FY 2005-06 (Legislative Council fiscal note, April 6, 2004)

Personal Services and Operating Expenses	\$56,713
	1.0 FTE
MMIS Contract — 980 hours @ \$125/hour	\$122,500
CBMS — 460 hours @ \$65/hour	\$29,900
SSI Disabled Disability Determinations for 25 children @ \$400/child	\$10,000
Medical Services Premiums for 75 Children @ Varying Rates for 6 months	\$545,000
Prior Authorization Reviews	\$2,220
Claims Processing Through MMIS	\$3,098
Single Entry Point Contract with Community	\$81,750

Centered Boards (15% of Medical Services Premiums)	
Total	\$851,181
Colorado Autism Treatment Fund	\$394,191
Medicaid Federal Funds	\$456,990

Original Implementation Plan

The implementation plan submitted with the Department's fiscal note for SB 04-177 included the following projects and timelines:

Effective Date of Bill	January 1, 2005
Waiver Written and Submitted to CMS	January 2005
Waiver Approved by CMS	July 2005
FTE hired	July 2005
MMIS/CBMS Modifications Completed	January 2006
MMIS Reporting start	January 2006
MMIS Reporting completed	July 2006
Provider agreements developed	October 2005
Provider agreements signed	November 2005
Rules written	April 2005
Rules passed	June 2005
Start-up date	July 2005

Current Implementation Plan

In 2005, the Centers for Medicare and Medicaid Services completely revised the HCBS waiver application forms, requiring additional components that needed to be researched and addressed by the Department prior to submission. This caused a substantial extension to the timeframe required for the implementation of this bill.

Effective Date of Bill	January 1, 2005
Waiver Written and Submitted to CMS	April 2005
<i>Note: The original timeline for this task was January 2005, however, the deadline was extended due to limited staff available to write and edit the waiver application.</i>	
Waiver Approved by CMS	December 23, 2005
<i>Note: The original timeline for this task was July 2005 per the final fiscal note dated April 6, 2004. On July 11, 2005, the Department received from CMS a request for additional information on the submitted application. The Department replied to CMS on July 29, 2005 requesting to stop the clock in order to address CMS questions. On October 14, 2005, CMS sent another request for additional information. The Department negotiated with CMS on a weekly basis over a 10-week period to</i>	

<p><i>develop a comprehensive quality management strategy and determine provider qualifications for the program. The Department completed and formally submitted these components of the waiver application to CMS on November 22, 2005. CMS made one more request for additional information via e-mail on December 2, 2005. The Department completed and submitted its responses to CMS on December 7, 2005. Final CMS approval was received on December 23, 2005.</i></p>	
<p>FTE hired</p> <p><i>Note: The original FTE hire date was July 2005 per the final fiscal note dated April 6, 2005. No funds were appropriated for this position prior to July 1, however, so the position was posted in July, the hiring process was completed in September, and the position started October 3, 2005.</i></p>	<p>October 2005</p>
<p>MMIS/CBMS Modifications Agreed Upon</p> <p><i>Note: The following activities were necessarily completed before required modifications could be identified:</i></p> <ul style="list-style-type: none"> • <i>Develop provider qualifications and provider types (provider enrollment into the systems)</i> • <i>Determine rate setting methodology, determine rates, identify procedure codes, develop prior authorization processes and set edits (claims payment)</i> • <i>Identify codes specifically to enroll waiver applicants (eligibility systems).</i> • <i>Develop CMS reporting processes</i> 	<p>December 2004 to June 2005</p>
<p>MMIS/CBMS Modifications Operational</p> <p><i>Note: Activities planned to occur concurrently were required to be accomplished sequentially. The Department is required to have a CMS-approved Advanced Planning Document (APD) to make system modifications operational. The required sequence is as follows:</i></p> <ul style="list-style-type: none"> • <i>CMS approves the waiver application.</i> • <i>The Department submits the APD to CMS for approval.</i> • <i>When approved by CMS, the Department enters into contract agreement with the fiscal agent.</i> • <i>The fiscal agent has 6 months to make system changes.</i> <p><i>The Department has the approved Advanced Planning Document and a contract in place effective May 11, 2006. System changes are currently underway.</i></p>	<p>October 9, 2006*</p>
<p>MMIS reporting start</p> <p><i>Note: Completion is contingent on above listed tasks</i></p>	<p>November 2006*</p>

MMIS reporting completed <i>Note: Completion is contingent on above listed tasks</i>	April 2007*
Provider agreements developed <i>Note: Completion is contingent on above listed tasks</i>	September 2006*
Provider agreements signed <i>Note: Completion is contingent on above listed tasks</i>	October 2006*
Rules written <i>Note: The rule was completed in draft form and awaiting waiver approval before presentation to the Medical Services Board. Stakeholders requested additional input after changes were made to the waiver in response to CMS requests for additional information, which caused a necessary delay in creating the final draft. The rule was presented at the April meeting of the Medical Services Board.</i>	November 2005- March 2006
Rules passed	May 2006
**Contract developed and signed with agency responsible for SSI-disabled disability determinations	March -May 2006
**Benefits Utilization System changes for community based long term care reporting	June 2006
**Community Centered Boards contract executed	September 2006*
**Interagency Agreement with the Department of Public Health and Environment for certification surveys signed	September 2006*
Start-up date	October 2006*

**Estimated completion dates*

***Task added to Implementation Plan*

Current Estimate of Fiscal Impact

The current estimate of fiscal impact is summarized in the table below, and differs from the original due to the following:

- The current estimate does not include costs for MMIS and CBMS system changes because these were completed in FY 2005-06.
- The current estimate of fiscal impact for Medical Services Premiums of \$817,500 reflects the revised start-up date of October 1, 2006, for 9 months of service in FY 2006-07. The original estimate of \$545,000 was based on 6 months of service. In the Department's February 15, 2006 Budget Request for FY 2006-07 (Page MSP-67), this estimate was annualized to reflect a cost of \$1,090,000 based on the assumption the program would be implemented July 1, 2006.

Funding for the Home and Community Based Services for Children with Autism program in FY 2006-07 will total \$1,013,795 with \$506,124 from the Colorado Autism Treatment Fund and \$507,671 from federal funds. The federal financial participation rate is 50% for all expenditures

under this program except for medical claims processed through the Medicaid Management Information System, which receive 75% federal financial participation.

FY 2006-07 Current Fiscal Impact Summary	
Personal Services and Operating Expenses	\$58,352
	1.0 FTE
SSI Disabled Disability Determinations	\$10,000
Medical Services Premiums for 75 Children @ Varying Rates for 9 months	\$817,500 vs. \$545,000
Prior Authorization Reviews through MMIS	\$2,220
Claims Processing through MMIS	\$3,098
Single Entry Point contract with Community Centered Boards (15%* of Medical Services Premiums for 9 months)	\$122,625
Total	\$1,013,795
Colorado Autism Treatment Fund	\$506,124
Medicaid Federal Funds	\$507,671

*Administrative costs for the community centered boards are capped at 15% (February 15, 2006 Budget Request for FY 2006-07, page MSP-66).

HB 05-1015 Substance Abuse Treatment under Medicaid

Summary of Legislation and Fiscal Impact

This bill adds outpatient substance abuse treatment as an optional service to the state's Medicaid program. The outpatient benefit includes assessment, alcohol/drug screening and counseling, social ambulatory detox, targeted case management, group therapy, and individual therapy adjusted for the average client.

The fiscal impact of the bill was assessed at \$3,281,576 for FY 2005-06 and \$4,679,420 for FY 2006-07, as shown in the April 20, 2005 version of the Legislative Council fiscal note. The FY 2005-06 fiscal impact included \$44,450 for modifications to the MMIS plus 6 months of medical services premiums costs, as implementation of the program was estimated to begin January 1, 2006.

Implementation Plan

July 1, 2006 was selected as the implementation date to allow for time to research best practices, gather stakeholder input, develop a comprehensive benefits package, complete necessary changes in the Medicaid Management Information System, submit a state plan amendment and receive approval from the Medical Services Board on the rule developed for the benefit. The program was implemented, as scheduled, on July 1, 2006. Rules were approved at the June 9, 2006 Medical Services Board meeting and emergently adopted to take effect July 1, 2006. With respect to the state plan amendment, the Department submitted it to the Centers for Medicare and Medicaid Services on March 31, 2006, and received a request for additional information on June 16, 2006. The Department will submit its response by July 31, 2006 and expects to receive approval of the state plan amendment, with a July 1, 2006 effective date, by September 1, 2006.

Current Estimate of Fiscal Impact

Although the Department did not incur any costs for medical services premiums until the new substance abuse treatment program was implemented in July 2006, the Department did complete the required MMIS changes for the program during the 2005-06 fiscal year at a cost of \$44,450. The medical services premiums and other costs were delayed until FY 2006-07, and are estimated to equal the same amounts projected in the fiscal note for 2006-07: \$7,062,073 in medical services premiums plus \$54,088 for transfer to the Department of Human Services for 1.0 FTE in its Drug and Alcohol Abuse Division. Since savings are not expected to be realized until six months after implementation, the originally projected savings of \$2,436,741 for 2006-07 in the April 20, 2005 Legislative Council fiscal note was revised to \$1,218,371 in the FY 2006-07 Long Bill, HB 06-1385 (FY 2006-07 Figure Setting, March 13, 2006, page 139). The revised estimate of fiscal impact to the Department totals \$5,897,790 in FY 2006-07.

HB 05-1066 Obesity Treatment Under Medicaid

Summary of Legislation and Fiscal Impact

This bill would have required the Department to implement an Obesity Treatment Pilot Program to treat Medicaid recipients with a body mass index equal to or greater than 30 and who have a comorbidity related to their obesity, including but not limited to diabetes, hypertension, and coronary heart disease. The bill authorized the Department to accept gifts, grants, or donations to develop and implement the pilot program.

The bill was assessed at having a conditional fiscal impact of \$291,589 in its first year of implementation and \$484,943 in its second year. Costs were identified as conditional because the bill required the pilot program to be implemented only if the Department entered into a contingency-based contract or received sufficient gifts, grants, or donations for implementation. In its fiscal note for the bill, the department indicated it would rely on gifts, grants or donations to implement the program rather than solicit a contingency contract. The Department did not receive any gifts, grants or donations, however, and the bill is no longer scheduled for implementation. This was reported by the Department in its response to the Joint Budget Committee hearing on January 5, 2006 (Item #10):

During the 2005 legislative session, the Department supported House Bill 05-1066 Obesity Treatment Under Medicaid. In discussions with the House sponsor and representatives of Abbott Laboratories and Sanofi-Aventis, the Department understood that Abbott Laboratories was willing to donate pharmaceutical products and that Sanofi-Aventis would seriously consider funding a behavioral intervention program as a companion piece. The University of Colorado Health Sciences Center has an existing obesity program that was interested in participating as a partner in the project. After HB 05-1066 was enacted, the Department held a discussion to plan for the implementation of the Obesity Treatment Program with representatives from Abbott Laboratories, Sanofi-Aventis and the University of Colorado Health Sciences Center. Subsequent to the discussion there appears there is no longer interest by the pharmaceutical manufacturers to provide gifts, grants or donations for this program. To date there

have been no gifts, grants or donations received by the Department for the Obesity Treatment Program.

HB 05-1131 Redispersing Specified Unused Medications

Summary of Legislation and Fiscal Impact

This bill allows a patient of a licensed facility, or the patient's family, to return unused, individually packaged medication to a pharmacist to be redispensed to another patient of the facility. It requires the State Board of Pharmacy to adopt rules to implement the act and allows pharmacists to accept and distribute medications to nonprofit organizations that provide medical care. In addition, pharmacists must reimburse the Department for the cost of medications that the Department has paid for if the medications are available to be dispensed to another person. The bill applies to licensed hospitals, hospice centers, nursing care facilities and assisted living facilities.

The fiscal impact of the bill was estimated to be a savings to the Department of \$733,970 in FY 2005-06, and a savings of \$977,208 in FY 2006-07 from redispensed prescriptions at nursing and assisted living facilities.

Implementation Plan

The original implementation date for this bill, as referenced in the Department's fiscal note, was September 1, 2005. This timeframe, however, did not allow sufficient time for the Board of Pharmacy to finalize its rule changes, which had to be completed before the Department could implement and publish changes to its pharmacy program. To address questions about the implementation timeframe last May, the Department's Executive Director, Stephen C. Tool, wrote the following response to Congresswoman Musgrave on May 18, 2006:

....The [Department] has established the billing guidance necessary to implement House Bill 05-1131. Because the Department does not have authority to make the necessary changes to the professional practice of pharmacy, it provided this clarifying guidance after the Colorado Board of Pharmacy changed its regulations to allow redispersing.

Following approval of the Board of Pharmacy rule change, the Department published billing and credit instructions in its March 2006 Medical Assistance Program Bulletin. This Bulletin is distributed to all participating Medical Assistance Program providers. In addition, the Department implemented a rule change, which clarified that pharmacies could accept the medications in accordance with C.R.S. Section 25-3-101 and they must reimburse the Medical Assistance Program for unused medications. This rule change was effective February 10, 2006.

Although the Department's rule change was effective February 10, 2006, the Board of Pharmacy's rules did not become effective until March 30, 2006. Because pharmacies were unable to participate in the program until the pharmacy rules became effective, the bill was not fully implemented until March 30, 2006. For reference, a copy of the announcement published

in the Department's provider bulletin in March 2006 is attached as Exhibit B (see pages 2-3 of the bulletin).

Current Estimate of Fiscal Impact

The fiscal impact originally estimated for FY 2006-07 in the April 4, 2005 Legislative Council fiscal note, a savings of \$977,208, was revised by the Joint Budget Committee during figure setting to approximately 5% of the fiscal note total (FY 2006-07 Figure Setting, March 13, 2006, page 142). The savings were reduced because the fiscal note did not incorporate the effects of the Medicare Modernization Act: most clients who are able to use the provisions of HB 05-1131 are dual-eligibles, therefore, most of these savings would be to Medicare instead of Medicaid. In the FY 2006-07 Long Bill, HB 06-1385, the appropriation for Medical Services Premiums was reduced by \$3,814 for savings to assisted living facilities, and \$45,053 for savings to class I nursing facilities. In total, the Department's appropriation for Medical Services Premiums was reduced by \$48,867 for savings due to redispensing unused medications.

HB 05-1243 Consumer-Directed Care Under Medicaid

Summary of Legislation and Fiscal Impact

This bill extends the option of receiving Home- and Community-Based Services (HCBS) through the Consumer-Directed care service model to all Medicaid recipients who are enrolled in an HCBS waiver for which the Department has federal waiver authority. The bill specifies that an eligible person shall not be required to disenroll from the person's current HCBS waiver in order to receive services through the Consumer-Directed care service model. Additionally, the bill specifies that certain professional licensing requirements do not apply to a person who is directly employed by an individual participating in the Consumer-Directed care service model and who is acting within the scope and course of such employment. The restrictions that apply to this professional licensure exclusion and the circumstances under which the exclusion does not apply are noted in the bill. A consumer of attendant support is allowed to have an authorized representative who has the judgment and ability to assist the consumer in acquiring and using services under the program.

This bill was originally assessed at having a fiscal impact of \$803,395 in reduced funding for FY 2005-06 and \$10,638,763 in reduced funding for FY 2006-07 in the March 14, 2005 version of the Legislative Council fiscal note. Despite the additional personal services, medical services premiums and other costs required to implement the bill, it is expected to result in an overall reduction in funding need because studies have shown Consumer-Directed care to be less expensive than care directed by medical professionals. The estimated savings for FY 2005-06 was based on 6 months of costs and savings; and those for FY 2006-07 were based on 12 months, as described below from the fiscal note:

Personal Services/Operating Expenses — The Department estimated it would require **\$30,332** and 0.5 FTE in year one and **\$27,044** and 0.5 FTE in year two. This position was needed to write the waivers, prepare for implementation of the waivers, provide oversight, and monitor the waivers.

Single Entry Point Contract — To determine if a client’s health needs could be met through consumer-directed care, an assessment of the client would be required. Although not every client in HCBS would need this type of assessment, the additional cost per client was estimated to be \$37.50, which would be used to adjust the Department’s contracts with Single Entry Point agencies (\$37.50 * 26,890 clients = \$1,008,375). Since all waiver clients were being assessed once a year for continued eligibility, the Single Entry Point contracts were estimated to require an additional **\$1,008,375** per year.

MMIS — It was estimated that one-time programming changes to the MMIS were needed to implement the waiver. A total of 1,344 hours would be required to modify claims and edits processing and to modify federal reports. An additional cost of **\$170,688** was estimated for FY 2005-06 only.

Medical Services Premiums Savings — It was assumed that Consumer-Directed care would be less expensive than care directed by medical professionals, resulting in Medicaid savings. This assumption was based on figures from a pilot study for Consumer-Directed Attendant Support, wherein average monthly savings of \$794 per client were achieved. Because the services provided by HCBS waiver programs were considerably less costly than Consumer-Directed Attendant Support, it was assumed that the Consumer-Directed HCBS waiver proposed in the bill would yield savings equal to 50 percent of the \$794 per client per month, or \$397. Total conditional savings were estimated at \$2,012,790 in FY 2005-06 and \$11,674,182 in FY 2006-07.

Original Implementation Plan

The implementation plan submitted with the Department’s fiscal note for HB 05-1243 included hiring the FTE, writing and submitting waiver amendments, and getting approval from CMS as follows:

FTE hired	July 2005
Waiver amendments written	July through September 2005
Federal approval from CMS	January 2006

Current Implementation Plan

In 2005, the Centers for Medicare and Medicaid Services completely revised the HCBS waiver application forms, requiring additional components that needed to be researched and addressed by the Department prior to submission. This caused a substantial extension to the timeframe required for the implementation of this bill.

FTE hired	September 2005
<i>Note: The original FTE hire date was July 2005. No funds were appropriated for this position prior to July 1, however, so the position was posted in July and the hiring process was completed and the position started in September 2005.</i>	

Waiver amendments written and submitted to CMS <i>Note: To fully implement this program, a total of 9 waivers must be submitted and approved sequentially by CMS. The waiver for persons who are elderly, blind and disabled – affecting the largest number of clients (19,000 clients out of 33,000 in all HCBS waiver programs) will be submitted first. Once approval of this waiver is received, the request for proposals will be developed and posted, and the contractor selected. The Department expects to begin enrolling clients approximately 6 months after CMS approval on the first waiver is received. Additional clients will be enrolled in the program as the remaining waivers are submitted and approved.</i>	August 2006* for Elderly Blind and Disabled waiver serving the majority of HCBS waiver clients; other waivers to follow.
Federal approval from CMS received on elderly, blind and disabled waiver	December 2006*
Request for proposals developed and posted	December 2006*
Medical Services Board rules written and approved	December 2006*
MMIS procedure and modifier codes identified	January 2007*
Load procedures codes and rates into MMIS	March 2007*
Contract awarded and signed	March 2007*
Begin enrolling clients	July 2007*
Submit and receive CMS approval for remaining waivers	July 2007 - June 2008*

**Estimated completion dates*

Current Estimate of Fiscal Impact

The total fiscal impact of this bill in FY 2006-07 is estimated to be **\$27,761** for personal services and operating expenses only. The 0.5 FTE General Professional IV hired in FY 2005-06 is continuing as a 0.5 FTE in FY 2006-07 to write the waivers, prepare for implementation, provide oversight, and monitor the waivers. The Department's actual personal services expenditures for this position in FY 2005-06 of \$26,570 was increased 2.7% for the FY 2006-07 estimate to account for the salary increase.

Single Entry Point costs and Medical Services Premiums savings originally projected for FY 2006-07 were removed from the current estimate of fiscal impact due to the July 1, 2007 start-up date for the program and will not be incurred until FY 2007-08. In addition, costs related to modification of the Medicaid Management Information System were one-time only for FY 2005-06. Although these modifications will not be completed until the Department receives federal approval of the HCBS-EBD waiver (expected in December 2006), this funding was encumbered with a signed contract on June 16, 2006, and a roll-forward request is in process; therefore no fiscal impact is estimated for system modifications in FY 2006-07.