

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7695**

**BILL NUMBER:** SB 615

**NOTE PREPARED:** May 5, 2005

**BILL AMENDED:** Apr 29, 2005

**SUBJECT:** CHOICE Board.

**FIRST AUTHOR:** Sen. Server

**FIRST SPONSOR:** Rep. Becker

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill adds additional members to, and additional duties for, the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) Board. It also extends certain expiration dates.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** *CHOICE Board:* The bill expands the membership of the CHOICE Board from 9 to 15 members. The additional members include 2 lay members and 4 nonvoting legislative members. CHOICE Board laymembers are eligible to receive \$50 per diem plus travel reimbursement. Legislative members are eligible for \$134 per diem plus travel reimbursement. The expense associated with the legislative members is paid from appropriations to the Legislative Council or the Legislative Services Agency. The Board is required to meet a minimum of 6 times each year. The cost of this provision for member per diem would be an additional \$600 for the lay members and \$3,216 for the legislative members. The cost of travel reimbursement would be dependent upon the home stations of the new appointees, the number of meetings attended, and the number of miles traveled.

*Waiver Applications:* The bill extends deadlines for certain waiver applications required in P.L. 274-2003. In some instances, OMPP reported that some of the waivers were filed and in other cases, OMPP did not file the waiver applications required by P.L.274-2003, reporting that information necessary for the waiver applications was being developed. P.L. 274-2003 provides that the State Budget Director and the Secretary of FSSA are responsible for ensuring that the cost of services provided in the affected program does not exceed available state and federal funding. The cost of implementing the waivers if approved by the Centers for Medicare and

Medicaid Services (CMS) would be subject to this constraint.

The waiver application process is not without opportunity costs. Waiver applications are developed and submitted by the existing staff in OMPP. Waiver applications must be developed and adequately justified. If the Centers for Medicare and Medicaid Services have questions or request additional information, staff must be available to respond within specified time lines or requests are considered expired. If the waivers are subsequently approved, OMPP must implement the reimbursement for services, or changes to services, and fulfill waiver reporting requirements, including the critical fiscal neutrality reports. OMPP is currently operating eight waivers.

Medicaid is jointly funded by the state and federal governments. The state share of program expenditures is approximately 38%. Medicaid medical services are matched by the federal match rate (FMAP) in Indiana at approximately 62%.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Secretary of the Family and Social Services Administration (OMPP and DDARS).

**Local Agencies Affected:**

**Information Sources:** Office of Medicaid Policy and Planning.

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