

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6140**

**BILL NUMBER:** HB 1195

**NOTE PREPARED:** Feb 19, 2009

**BILL AMENDED:** Feb 19, 2009

**SUBJECT:** Requirements for Certain FSSA Contractors.

**FIRST AUTHOR:** Rep. Crawford

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

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

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires an employee of a county office of the Division of Family Resources to directly assist any individual who enters the county office and requests assistance in completing an application for a program serviced by the county office.

The bill requires the Office of Medicaid Policy and Planning (OMPP) to require a contractor that assists in the administration of eligibility determinations to implement a document tracking and verification system and to provide health care facilities with a dedicated telephone number and specified assistance.

The bill also requires that certain contractors for the Division of Family Resources that receive and process eligibility information and make determinations are to review eligibility and intake information and provide information to the Select Joint Commission on Medicaid Oversight (Commission).

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** (Revised) *Summary-* Certain requirements of the bill are already specified by the contract or may be performed within the scope of the contract. The requirement for document tracking and verification of receipt would require a change order to the contract and the resulting cost would depend on the scope of additional work or service that would be necessary to implement the changes. The requirement for the contractor to report to the Select Joint Commission on Medicaid Oversight should be accomplished within the scope of the contract. The Commission may define the manner, content, and timing of the reports from the contractor.

Background Information and Additional Details-

*(Revised) Select Joint Commission on Medicaid Oversight:* The bill authorizes the Commission to request certain reports from the contractor in a manner and format defined by the Commission. The Commission is a statutory entity. This provision would be an additional oversight function of the Commission. During the 2008 interim, the 12-member Commission held four meetings.

*Assistance in County Offices of the Division of Family Resources:* This requirement should have no fiscal impact. The Master Services Contract requires the state to maintain at least one county office in each county and staff that office with at least one state employee for the performance of the applicable state-retained activities. (Section 3.1.1(4).) The contract calls for the vendor to operate 41 local offices, called Help Centers, in 37 counties. IMPACT program services will be provided only from vendor-operated Help Centers. TANF, Medicaid, and Food Stamps recipients and applicants may receive services from the vendor-operated Help Centers as well as in the remaining 55 state service locations. The state is required to maintain space or use rights for the contractor or a subcontractor to perform applicable services for the county in the state service locations for the duration of the contract. State employees are required to provide interactive interviews for applicants who request this level of assistance. Face-to face interviews are also conducted as a requirement of the Food Stamps Program.

*Document Tracking and Verification System:* The cost of this requirement would depend on the cost of developing a verification system for the receipt of documentation within the specified time frame. The vendor-operated system has specific requirements for the submission of documents that are not submitted with the original application. A bar-coded cover sheet is required for all such submissions to ensure the documentation is correctly filed. Verification of the receipt of documents does not appear to be a requirement of the contract with the exception of the return of original documents. This provision would require a change order to be prepared for the contract. The fiscal impact of this provision is indeterminate since the cost of specific change orders would be negotiated by FSSA and the contractor based on specific requirements.

*Dedicated Assistance for Health Facilities:* The cost of this requirement may be achievable within the scope of the existing contract. The bill requires the vendor to provide a dedicated telephone number that is available around the clock and allows for expedited assistance in eligibility determinations and redeterminations. The bill also requires the vendor to acknowledge receipt of a phone call within 24 hours and specific information regarding the documentation for the application for Medicaid assistance. The vendor's newsletter (the "V-CAN Connector") describes an entry point for V-CAN members serving special needs populations such as Medicaid nursing homes, Medicaid waivers, and Medicaid disability applications. V-CAN members can submit case-specific enquiries on an e-mail request form directly to the applicable specialist eligibility group at the service center. A response is provided to the request within two business days. Additionally, testimony before the Health Finance Commission indicated that expedited telephone access is provided to certain high-volume V-CAN members.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, Division of Family Resources.

**Local Agencies Affected:** Local government-owned hospitals and nursing facilities.

**Information Sources:** “Master Services Agreement regarding Division of Family Resources Modernization Project by and between the State of Indiana, acting on behalf of the Family and Social Services Administration, and International Business Machines Corporation” and Schedules 3 & 19 at <http://www.in.gov/fssa/2345.htm>., and Division of Family Resources.

**Fiscal Analyst:** Kathy Norris, 317-234-1360.