

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6912
BILL NUMBER: SB 594

NOTE PREPARED: Jan 13, 2011
BILL AMENDED:

SUBJECT: Home and Community-Based Services.

FIRST AUTHOR: Sen. Broden
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Requires the Division of Aging (DOA) to: (a) implement a program and standards for identifying, recruiting, training, certifying, and enrolling individuals to be independent providers of home and community-based care services; and (b) establish a network of independent providers of home and community-based services with certain requirements.
- (2) Allows spouses and parents of individuals who are at risk of being institutionalized to provide limited attendant care services that may be reimbursed.
- (3) Requires the Office of the Secretary of Family and Social Services to calculate certain savings, report the calculations to specified persons, and use the savings to provide home and community-based services to additional individuals.
- (4) Requires the dissemination of specified information as part of: (a) a nursing facility's notification to applicants; (b) the nursing facility preadmission screening program; and (c) the hospital discharge process.
- (5) Requires homemaker services attendants to register with the DOA for the state registry for self-directed in-home care.
- (6) Allows an Area Agency on Aging (AAA) to make presumptive eligibility determinations for the Aged and Disabled Medicaid waiver under specified circumstances.
- (7) Specifies that this act is subject to available funding for certain services.

Effective Date: July 1, 2011.

Explanation of State Expenditures: This bill has the following provisions that will affect the Family and Social Services Administration (FSSA):

- (1) Implement a program by July 1, 2012, that will identify, recruit, train, certify, and enroll independent providers of home and community-based services.
- (2) (a) Establish a network, (b) create and maintain a registry, and (c) identify liability and health insurance options for independent home and community-based case service providers.
- (3) Establish fiscal intermediary services for individuals who are consumers of self-directed home and community-based services through the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program and the Medicaid Aged and Disabled waiver.
- (4) Create, in conjunction with AAAs, in-service training and professional enrichment programs for independent home and community-based case service providers.
- (5) Work with AAAs to calculate savings generated by community-based services and use any savings found to purchase home and community-based services for additional individuals.
- (6) Provide training and registration to individuals who would like to provide “homemaker services” to family members.
- (7) Provide compensation through the CHOICE or Medicaid Aged and Disabled waiver programs to legally responsible relatives who provide either self-directed in-home or homemaker services.
- (8) Petition the U.S. Department of Health and Human Services (DHHS) for an amendment to the Medicaid Aged and Disabled Waiver program to allow for the implementation of the provisions of the bill.

These provisions are expected to have the following effect on FSSA expenditures and/or workload.

Reinvestment of Cost Savings from Home and Community-Based Services: Currently, FSSA is required to annually determine any state savings generated by home and community-based services resulting from a reduction in institutional care and use the savings to fund the state’s share of additional home and community-based Medicaid waiver slots. The changes in the bill will require FSSA to calculate savings generated by home and community-based services in conjunction with AAAs and use these savings to purchase home and community-based services for additional individuals.

The FSSA reports this provision, if referencing the use of state-only funds, will result in the state losing federal match opportunities. On the other hand, if this language requires applying for additional waiver slots, the federal Center for Medicare and Medicaid Services would require the state to demonstrate cost-effectiveness of keeping recipients in community-based care and cost savings.

Family Members and Self-Directed In-Home Care: Currently, individuals who are legally responsible relatives of an individual in need of self-directed in-home care (including a parent of a minor individual and a spouse) are precluded from providing attendant care services for compensation. Under the bill, individuals who are legally responsible relatives of an individual who is at risk of being institutionalized and in need of self-directed in-home care will be able to provide attendant care services and homemaker services for compensation. These services are not to exceed 8 hours a day and 5 days a week.

FSSA reports the bill will increase state expenditures to train and certify family members to provide self-

directed in-home care. FSSA also reports that federal rules preclude some individuals from receiving payment for services provided, specifically that parents of a minor child may not be reimbursed for self-directed in-home care.

FSSA reports the only service currently available through the self-directed attendant care program is attendant care. Adding homemaker services is expected to increase Division of Aging expenditures for the self-directed care program. Service recipients will still be receiving the same amount of services from family members and outside attendant care assistance providers. This bill may increase the utilization of attendant care services if family members who previously provided uncompensated care to family members begin billing for attendant care. In order to remain within existing funding as required by the bill, the OMPP reports that they may no longer offer respite care services to family members who are compensated for providing care to family members to compensate for any increase in expenditures for attendant care services created by the bill.

The OMPP also reports the bill will result in additional costs to audit attendant care services. OMPP reports the attendant care service program is nationally has been subject to fraudulent billing. The OMPP surveillance and utilization review (SUR) unit is currently assessing attendant care services. [Note: An estimate on the effects this provision will have on the OMPP will be updated as information is provided by the FSSA.]

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: OMPP, FSSA.

Local Agencies Affected:

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