

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

BILL NO. Senate Bill 912

PRINTER NO. 2063

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

October 5, 2017

PRIME SPONSOR

Senator Brooks

DESCRIPTION

Senate Bill 912 amends the Human Services Code to create a new section for deemed eligibility for home care and home health services and older adult daily living center services.

The bill requires the Department of Human Services (department) to establish a deemed eligibility program for home care services and home health services for individuals who are eligible for medical assistance nursing facility services but wish to receive care in a less restrictive setting. The program shall:

- Be designed to provide home care services and home health services only for individuals who are age 65 or older and are nursing facility clinically eligible;
- Permit a qualified entity to submit an application for medical assistance on behalf of individuals;
- Permit an individual who is applying for medical assistance to declare income and assets on an appropriate application form; and
- Permit a qualified entity to determine presumptive eligibility to receive medical assistance and submit an application to the department.

If a qualified entity determines that an individual is presumptively eligible, the individual may begin receiving home care services, home health services and older adult living center services from a medical assistance provider as soon as a preliminary service plan is developed.

If an individual determined to be deemed eligible is subsequently determined ineligible, the qualified entity that made the determination of deemed eligibility shall not be reimbursed for the cost of home care services or home health services.

If an individual provides fraudulent information, the qualified entity may seek reimbursement from the individual.

Once the department makes a final determination of eligibility, it shall authorize medical assistance payments for home care services and home health services provided during the period of deemed eligibility.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Within 60 days of the submission of an application for medical assistance, the department will make a final determination of eligibility.

The department shall issue a medical assistance bulletin to implement the provisions of the presumptive eligibility program.

Within 75 days of the effective date, the department shall also apply for all necessary federal waivers and shall revise the state medical assistance plan as required.

On or before January 1 of each year, the department shall issue a report to the General Assembly providing:

- The number of individuals participating in the program;
- The average cost of each individual in the program;
- The number of qualified entities in the program;
- The administrative costs; and
- The estimated savings achieved.

The Legislative Budget and Finance Committee shall conduct a fiscal impact and effectiveness study of the deemed eligibility program.

The legislation is scheduled to take effect 30 days after the Legislative Reference Bureau publishes the Pennsylvania Bulletin announcing the approval of the necessary waiver or state plan.

FISCAL IMPACT:

Senate Bill 912 will have no adverse fiscal impact on the Commonwealth.

It is not possible to estimate the number of deemed eligible recipients that would utilize home and community based services who would have also originally gone into a nursing facility because of the contingency of federal approval of a state plan or waiver and the impact of the Community HealthChoices on this population. However, below are the average costs of nursing facilities under the Long Term Care appropriation and Home and Community Based Services appropriation as presented in the Fiscal Year 2018-19 Department of Human Services Appropriations Committee Hearing materials:

- \$163.23 Total Funds cost per day for nursing facility (\$78.12 in state costs)
- \$126.85 Total Funds cost per day for Home and Community Based Services (\$60.70 in state costs)

An estimated state savings of \$17.42 per day or \$1,045 for the 60-day deemed eligible period would be realized when an individual who previously would have had to go to a nursing home is diverted utilizing the deemed eligible program.

In addition, Senate Bill 912 will have no fiscal impact for the Legislative Budget and Finance Committee to conduct a fiscal impact and effectiveness study of the deemed eligibility program. The committee is expected to be capable of accommodating this study within the agency's existing fiscal resources.