

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 906

PRINTER NO. 1327

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

October 18, 2019

PRIME SPONSOR

Senator Yudichak

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 906 establishes a moratorium on the closure of state centers under the Mental Health and Intellectual Disability Act of 1966.

Senate Bill 906 creates the State Centers Closure Moratorium which:

- Prohibits the Department of Human Services (the department) from closing a state center until all Medicaid waiver-eligible individuals in the Commonwealth are authorized to begin receiving home and community-based services;
- Requires the department to provide notice in the Pennsylvania Bulletin when all individuals have received authorization to begin home and community-based services;
- Establishes the Task Force on the Closure of State Centers upon publication of notice; and
- Requires the secretary of the department to convene an initial meeting of the task force within 60 days.

The bill establishes the Task Force on the Closure of State Centers which requires the task force to perform a comprehensive evaluation of the state centers and provide recommendations to the department prior to the closure of one or more state centers.

Task force members include:

- The secretary of the department;
- One representative from each state center, which may include, but is not limited to, direct care providers or administrative staff members, to be appointed by each center director;
- One representative from the Governor’s Office;
- The Chair and Minority Chair of the Senate Health and Human Services Committee;
- The Chair and Minority Chair of the House Human Services Committee;
- Two family members of the residents of state centers, appointed by the secretary;
- One representative of a nonprofit organization which serves as an advocate for those with intellectual disabilities, appointed by the secretary; and

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

- One physician, psychiatrist or psychologist with experience providing services to individuals with intellectual disabilities to be appointed by the secretary in consultation with the one representative from each state center.

The legislation requires the task force to meet biweekly to evaluate the impact of the closure in the following areas:

- Residents of the state center and their families;
- Employees, both union and nonunion;
- The local economy in which the state center is located; and
- Readiness of provider agencies in each region to expand the community-based residential infrastructure to support residents leaving state centers.

It also requires a majority vote of the task force to deem a state center eligible for closure.

If the task force determines a state center is eligible for closure, the department shall prepare a plan to include the following:

- An assessment of the state center, including:
 - A certified independent appraisal of the state center property;
 - A report of the state employees employed at the state center, both full time and part time, including total number of employees, the cost of the total wages and total benefits paid to the employees and an organizational flow chart of employees working at the state center;
 - A detailed report of the services provided at the state center by contracted third-party vendors;
 - An inventory of assets located at and improvements on the state center;
 - A report of all electric, utility, water, landscaping, snow removal and maintenance costs of the state center;
 - Geospatial images of the state center;
 - A detailed description of the existence, ownership rights and appraised value of any mineral rights on the state center property; and
 - A historical report of the institutional property, including the date it was acquired or constructed, the dates of any improvements on the property, any changes in property records, historical employment or complement levels and other historical data.
- Timeline, specific to each state center, for the transition to a home and community-based support system for all of the individuals with intellectual disabilities living at the state center. This information must specify the critical milestones in the closure process for the state center and the department's planned course of action to effectuate the closure of the state center, including available and necessary resources;
- The home and community-based support providers available in the immediate geographic area surrounding the state center;
- The process the department will utilize at each state center to transition individuals with intellectual disabilities supported at each state center to a home and community-based support system; and
- Any other information deemed appropriate by the department as part of the plan.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

A state center subject to closure must continue to operate with the level of staff necessary until all residents have been transitioned into home or community-based services.

Provisions of this legislation shall only apply to closures made after October 1, 2019.

This act shall take effect immediately.

FISCAL IMPACT:

Senate Bill 906 may have up to a \$61 million annual fiscal impact to the Commonwealth.

The moratorium prohibits the department from closing a State Intellectual Disabilities (ID) Center until all Medicaid waiver-eligible individuals in the Commonwealth are authorized to begin receiving home and community-based services. As of May 2019, there were 13,019 individuals on the ID waiting list. At an average cost per consumer of \$143,154 in total funds (\$70,646 in state funds), it would cost the Commonwealth \$1.86 billion in total funds (\$920 million in state funds) to proceed with the task force to decide on the potential of a state center closure.

Since this bill delays the closure of any one or all of the state centers, below is a chart of the state cost differentials between the individuals in centers and in the community and the potential state savings.

	Ebensburg	Polk	Selinsgrove	White Haven	
Total Funding for ID Facility	\$79,631,000	\$81,850,000	\$83,766,000	\$50,761,000	
State Funding for ID Facility	\$30,061,000	\$30,609,000	\$31,357,000	\$19,712,000	
July 2019 Population	196	195	210	115	
Total Cost per Consumer - Facility	\$406,281	\$419,744	\$398,886	\$441,400	
State Cost per Consumer - Facility	\$153,372	\$156,969	\$149,319	\$171,409	
Total Cost per Consumer - Community	\$143,154	\$143,154	\$143,154	\$143,154	
State Cost per Consumer - Community	\$70,646	\$70,646	\$70,646	\$70,646	
Add'l Total Cost per Consumer for Remaining in Facility	\$263,127	\$276,590	\$255,732	\$298,246	
Add'l State Cost per Consumer for Remaining in Facility	\$82,726	\$86,323	\$78,673	\$100,762	Total
Additional Total Cost for All Residents Remaining in Facility	\$51,572,816	\$53,934,970	\$53,703,660	\$34,298,290	\$193,509,736
Additional State Cost for All Residents Remaining in Facility	\$16,214,286	\$16,832,933	\$16,521,235	\$11,587,653	\$61,156,107