

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0805
Prime Sponsor(s): Sen. Hudak
 Rep. Kerr J.

Date: June 20, 2012
Bill Status: Signed into Law
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING THE EVALUATION OF HOME- AND COMMUNITY-BASED SERVICES FOR CHILDREN WITH AUTISM UNDER THE MEDICAID WAIVER PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

| Fiscal Impact Summary | FY 2012-2013 | FY 2013-2014 |
|--|--------------|--------------|
| State Revenue | | |
| State Expenditures | \$6,925 | \$68,925 |
| Cash Funds | | |
| Colorado Autism Treatment Fund | 3,463 | 34,463 |
| Federal Funds | 3,462 | 34,462 |
| FTE Position Change | | |
| Effective Date: The bill was signed into law by the Governor on May 24, 2012, and takes effect on July 1, 2012. | | |
| Appropriation Summary for FY 2012-2013: The Department of Health Care Policy and Financing is appropriated \$6,925 including \$3,463 from the Colorado Autism Treatment Fund and \$3,462 federal funds. | | |
| Local Government Impact: None. | | |

Summary of Legislation

This bill clarifies the frequency and content of evaluations for children receiving Medicaid home- and community-based services (HCBS) through the Children with Autism (CWA) waiver program. Specifically, child evaluations are to occur at entry, every six months, and upon leaving the program, and must be completed by the lead therapist or other trained professional.

The Department of Health Care Policy and Financing (DHCPF) is directed to annually review the fund balance of the Colorado Autism Treatment Fund to determine whether additional eligible children may be enrolled in the program. It is also required to develop an objective assessment process, consistent with federal rules, to determine and prioritize children with autism who have an imminent need for services.

On or before June 1, 2013, DHCPF is to submit a written program evaluation to specified legislative committees, which includes the number of children receiving services, age and length of service information, and average cost of services. On or before June 1, 2014, DHCPF is to report on the status of the ongoing evaluation process, and, on or before June 1, 2015, it is to report on child outcomes and whether the waiver program is meeting its goals.

Finally, the bill allows child and program evaluations to be paid for with moneys from the Colorado Autism Treatment Fund.

Background

The CWA program provides services to children diagnosed with autism with intensive behavioral needs who are at risk of institutionalization and who are under the age of six. The upper income limit for eligibility is 300 percent of the federal poverty level (FPL). Once enrolled, a child may remain in the program for up to three years with a maximum yearly benefit of \$25,000.

The program provides case management and behavioral therapies (CWA program services), as well as traditional state Medicaid plan benefits. CWA program service costs are shared between the Colorado Autism Treatment Fund and federal funds. The payment source for state Medicaid plan benefits depends on the child's Medicaid eligibility status. Costs for Medicaid-eligible children are shared between the General Fund and federal funds. Costs for non Medicaid-eligible children are paid for with General Fund.

In FY 2009-10, a total of 108 unique children received services for an average of 231 days, or 7.6 months. While length of service data is not yet available for FY 2010-11, a total of 115 unique clients were served, which suggests the length of service was slightly reduced. The average per capita cost is \$18,274, which includes \$12,548 for CWA program services and \$5,726 for state Medicaid plan benefits.

Technical note on program expansion. The DHCPF is also required to review the fund balance of the Colorado Autism Treatment Fund each year to determine whether additional eligible children may be enrolled in the program. As of July 1, 2011, the Colorado Autism Treatment Fund had a fund balance of \$2.1 million. However, the department's waiver restricts the maximum caseload to 75 eligible children at any given time. If the DHCPF is directed to seek a waiver amendment to expand services, additional costs will be incurred to write the waiver amendment and to provide CWA services.

Should this occur, General Fund costs may also increase. Under current law, the maximum income allowable for children under the age of six in Medicaid is 133 percent of FPL. The CWA program serves children with incomes of up to 300 percent of FPL. Therefore, state Medicaid plan benefits for eligible children with incomes of between 133 percent and 300 percent of FPL would be funded entirely with General Fund. These amounts have not been estimated and are not included in the State Expenditures section. This analysis assumes that should this occur, the department will request an adjustment in appropriations through the annual budget process.

State Expenditures

This bill increases state expenditures by \$6,925 in FY 2012-13 and \$68,925 in FY 2013-14.

Child evaluations. Evaluations currently occur at intake and every six months. There is no post-service review and most clients leave the program within two months of the six-month evaluation. Based on the existing estimate of 115 unique children served per year, this analysis assumes an average of 40 additional evaluations will be completed per year for children leaving the program. The estimated cost of the post-service review is \$173.12 per client, or \$6,925 per year. Costs are assumed to be shared between the Colorado Autism Treatment Fund and federal funds.

Program evaluation. The bill requires the department to conduct a CWA program evaluation and authorizes the department to hire a contractor for this purpose. Based on similar evaluations, this cost is anticipated to be \$62,000 in FY 2013-14, including \$31,000 from the Colorado Autism Treatment Fund and \$31,000 federal funds.

State Appropriations

For FY 2012-13, the Department of Health Care Policy and Financing is appropriated \$6,925, including \$3,463 from the Colorado Autism Treatment Fund and \$3,462 federal funds.

Departments Contacted

Health Care Policy and Financing