

Presentation Before the Joint Legislative Oversight Committee on HHS
January 25, 2012

BUDGETARY IMPACT OF REINSTATING 2 ADL'S
FOR PERSONAL CARE SERVICES

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ASSUMPTIONS:

- 1) A stable period prior the changes was used to determine the ratio of recipients to overall enrollment and units per recipient was used as the base for forecasting the impact of reinstatement of the policy.
- 2) Utilization trends for changes in the ratios calculated in #1 in the preceding periods were identified.
- 3) The ratios from #1 and trending in #2 were applied against the enrollment forecasts for the remainder of SFY 2012 and 2013 to project the number additional units that would result from reinstatement of the policy.
- 4) The current per unit rate was applied against the projected units to calculate the impact in SFY 2012 and 2013.
- 5) The SFY 2012 impact assumed claims would begin to be paid in April 2012 based on the timing required to implement system changes and the lag in service provision and submission of claims.

SFY 2012

Increase in claims for service	\$ 9,209,221
Programming costs for HP	15,416
Programming costs for CSC	5,000
CCME IT changes/notification processes	206,286
Refunds of PCS Recoupments	<u>140,000</u>
TOTAL STATE DOLLARS IN SFY 2012	\$ 9,435,983

SFY 2013

Increase in claims for services

\$32,794,761

ALL DOLLARS ARE PRESENTED IN STATE DOLLARS

ACTIONS TAKEN TO REINSTATE POLICY

1. By January 20, 2012 –recipients who lost hours due to the change received letters re-instating them to the program. The last provider of record was also notified that these recipients are now eligible. Their re-instatement is effective immediately.
2. The next notifications will be to those individuals who requested to be placed on the service but were denied because they did not qualify under the new policy but would have qualified under the re-instated policy. These notifications will be mailed before February 10, 2012.
3. System programming changes to be completed includes:
 - Update Assessment Tool Calculation Logic
 - Recomputed hours removing errands
 - End date all IHC PA's and post new PCS PA's
 - Restore PCS Notices
 - Verify referrals for recipients denied under IHC that qualify for PCS
 - Other work includes re-writing all adverse decision and technical denial notices and again testing the systems to assure accuracy.

DMA have effectively shut-down the system at the moment other than allowing the re-instatements mentioned above. Currently new recipients applying since January 1, 2012 will have their services delayed until the system is operational again, the Division anticipates clearing any backlog 3/1/12.