

2787

FISCAL NOTE (Form 2)  
(Office of Fiscal Analysis)  
Analyst: *W/MG*  
tk  
Version: *5/22/92*

BILL NUMBER: SB 2023  
FILE NUMBER:  
AMENDMENTS:

TITLE: "AN ACT CONCERNING THE EXPENDITURES OF THE DEPARTMENT OF INCOME MAINTENANCE, CERTAIN FEES AND THE UNCOMPENSATED CARE POOL"

FAVORABLY REPORTED BY Emergency Certification

SUMMARY: This bill makes numerous changes to the programs of and other items related to the Department of Income Maintenance including revisions to the General Assistance program, nursing home changes, rates paid to other Medicaid providers, the transfer of the Promotion of Independent Living program, professional fees, changes to the Uncompensated Care Pool, and others as identified in the fiscal note summary.

EFFECTIVE DATE: Upon Passage, except Sections 1 to 24, inclusive, and Section 68 shall take effect July 1, 1992, Section 41 shall take effect October 1, 1992, and Sections 55 and 57 to 60, inclusive, shall take effect, thereafter, upon certification by the Secretary of the Office of Policy and Management and the Commission on Hospitals and Health Care that such changes are required in order to comply with all applicable federal regulations, provided Section 34 shall be applicable with respect to revenues of nursing homes realized on or after March 1, 1992.

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 2023

STATE IMPACT	Yes, see explanation below
MUNICIPAL IMPACT	Yes, see explanation below
STATE AGENCY(S)	Departments of Income Maintenance, Aging, Labor, Mental Health, Revenue Services, Connecticut Alcohol and Drug Abuse Commission, Legislative Management, Public Safety, Various Other State Agencies

EXPLANATION OF ESTIMATES:

The fiscal impact resulting from passage of this bill is uncertain. It makes numerous changes as indicated in the attachments.

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**SB 2023 AN ACT CONCERNING THE EXPENDITURES OF THE DEPARTMENT OF INCOME MAINTENANCE, CERTAIN FEES AND THE UNCOMPENSATED CARE POOL**

<b>SECTION #</b>	<b>DESCRIPTION OF SECTION</b>	<b>FISCAL IMPACT</b>	<b>OTHER COMMENTS</b>
Section 1	Eliminate Cost of Living Adjustment for AFDC & General Assistance Scheduled for 7/1/92	(\$20,952,878)	
Section 2	Establish Flat Grant for General Assistance (GA) at \$296 for Single Employables and \$356 for Unemployables	(\$48,653,543)	Savings includes fiscal impact of other GA changes as specified below
Section 3	Eliminate Cost of Living Adjustment for State Supplement Program for Aged, Blind, & Disabled (AABD) Scheduled for 7/1/92	(\$2,042,119)	
	Decrease Unearned Income Disregard by up to 9.5% for State Supplement Program (AABD)	(\$1,640,688)	
	Remove Reference to SRO's as Unshared Living Arrangements under GA	Minimal	
Section 4	Reduce Emergency Housing from 80 to 60 Days	(\$508,200)	
Section 5	Limits Town Liability to Provisions Included in the Bill	Potential Savings	
	Eliminates GA Benefits for Individuals Receiving Federal Benefits	Potential Savings	New Provision; Not Included in the Budget
	Person Must Be a Resident of Connecticut to Receive GA Benefits	(\$516,000)	
	Substance Abuser Must be in Treatment to Receive Benefits	Refer to Section 2	
	Towns May Provide Additional Benefits Beyond Those Reimbursable by the State under GA	Potential Municipal Impact	
Section 6	Limits GA Cash Assistance for Employables to Nine Months in a Twelve Month Period with a Three Month Extension at the Discretion of the Town	Refer to Section 2	
Section 7	Limits Town Liability for Emergency Housing in GA to the Same Policy Applied to AFDC	(\$1,683,000)	
Section 8	Limits Eligibility for GA Medical Benefits to those Between 21 & 64 Years of Age	Uncertain	Not Included in the Budget
	Extends GA Medical Benefits for Three Months After Person Becomes Ineligible for Cash Assistance Due to Employment	Minimal	
	Extends GA Medical Benefits Indefinitely for Persons who are Participants in the Dept of Labor Jobs Program	Potential Future Significant Cost	
	Establishes that a GA Application Must be Completed Before Town is Liable for Assistance	Minimal	
	Limits GA Medical Benefits to those Provided Under the Medicaid Program	None	
	Restore Chiropractor, Naturopath, and Podiatrist	Potential Future	

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<b>SECTION #</b>	<b>DESCRIPTION OF SECTION</b>	<b>FISCAL IMPACT</b>	<b>OTHER COMMENTS</b>
	Services Under General Assistance	Cost Avoidance	
	Eliminates State Reimbursement for GA Medical Benefits Paid to Ineligible Persons Even if Pursuant to Court Order	(\$200,000)	
Section 9	Allows Towns to Track Residency	Minimal	
Section 10	Persons who Own Real Property which is not Occupied as Their Home or which would not be Counted in Determining Eligibility under Chapter 302 are Ineligible for GA	Minimal	
Section 11	Eliminate \$10 Workfare Incentive Bonus For Recipients	Refer to Section 2	
	Increase Workfare Suspension Period from 30 to 90 Days	Potential Savings	Not Included in the Budget
	Persons not in Compliance with Employment Plan or Quits or is Fired from Work is Suspended for 180 Days	Potential Savings	Not Included in the Budget
	Eliminate Workfare Exemption for Individuals Living in Emergency Shelters	Potential Savings	Not Included in the Budget
	Deems Substance Abuser as Employable, Not Job Ready	Refer to Section 2	
	Eliminate \$50 Monthly Administrative Payment to Towns per Workfare Placement	Refer to Section 2	
	Towns Must Develop an Employability Plan for Each Employable Recipient	Refer to Section 2	
	Allows for Waiver of Sanction Provisions if Town is Unable to Meet 2/3 Workfare Participation	Unknown	
Section 12	Persons Defrauding GA will be Subject to Same Penalties for Larceny	Unclear	It is questionable as to which penalty for larceny would apply and hence the fiscal impact is uncertain
	Persons Convicted of Defrauding GA are Ineligible for Benefits for at Least One Year	Minimal	
Section 13	Recoup Overpayments by Reducing Monthly Benefits by up to 10%	(\$725,000)	
Section 14	GA Medical Assistance Payments for Pharmacy will be Subject to Same Rebate Provisions as in Medicaid	Potential Savings	Not Included in the Budget
	Establishes 85% Reimbursement for GA Medical Assistance Payments	Refer to Section 2	
Section 15	Removes Town of Origin Determination by the Department (refer to Section 5)	Technical	
Section 16	DIM Shall Pay GA Medical Bills Directly After Towns Certify Client Eligibility (State Medical	Potential Significant Cost	Not Included in the Budget; Estimated to be \$5 million

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<b>SECTION #</b>	<b>DESCRIPTION OF SECTION</b>	<b>FISCAL IMPACT</b>	<b>OTHER COMMENTS</b>
	Pickup)		
Section 17	Defines and Establishes the Parameters of the Municipal Jobs Programs	\$6,000,000	
Section 18	Removes Right to Fair Hearings Regarding the Level of Assistance Provided Under GA	Potential Cost Avoidance	
Section 19	Establish Interagency Council to Coordinate Employability and Employment Services for GA Recipients	Minimal	
Section 20	State Administration of Program for Unemployable GA Recipients and Development of Schedule for the Transfer of Employables to Dept of Labor	Uncertain	Fiscal impact would depend upon implementation
Section 21	State Administration of Program for Medical Assistance Previously Provided under GA	Uncertain	Fiscal impact would depend upon implementation
Section 22	Establishes Dept of Labor Subsidized Employment Program	\$9,700,000	
Section 23	Allows Hospitals to Secure GA Application Information	Uncertain	
Section 24	Establishes Guidelines for Utilization of Additional Substance Abuse Services for GA Recipients	\$3,500,000 GF \$500,000 Fed	Included in CADAC Budget
Section 25	Eliminate Rate Increases for Emergency Room Visits	(\$1,500,779)	
Section 26	Eliminate Rate Increases for Home Health Agencies through June 30, 1993	(\$539,520)	
Section 27	Limit Rate Increases for Rehabilitation Clinics to CPI-U	(\$50,000)	
Section 28	Limit Inflation Factor Update to Two-Thirds of GNP Deflator for MR Group Homes	(\$344,000)	
Section 29	Adjust Rates for Nursing Homes which Convert from an ICF to a SNF Level of Care	(\$2,500,000)	
	Penalty may be Imposed on Facilities which do not Submit Cost Reports on Time	Potential Savings; Cannot be Determined	
	TBI Rates may be Adjusted if Mandated Cost Increases Exceed 0.5%	No Estimate Provided	
Section 30	May Allow Costs in Excess of Maximums for Nursing Homes with More than 12% Medicare Patient Days and 50% Medicaid Days	Uncertain	New Provision; Not Included in the Budget
	Commissioner may Establish Pilot Program Allowing Costs in Excess of Maximums for Beds in Nursing Homes Having a Managed Care Program Affiliated with a Hospital	Uncertain	New Provision; Not Included in the Budget
	Limits Rate of Return on Real Property to 16%	(\$2,000,000)	

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SECTION #	DESCRIPTION OF SECTION	FISCAL IMPACT	OTHER COMMENTS
	and Allows Rate Reductions in Accordance with CHEFA Refinancing		
	Increase Threshold for Efficiency Adjustments from 110% to 130% for Indirect Costs and Exclude from the Rate Increase Maximums	\$6,000,000	
Section 31	Limiting ICF/MR Rates by Capping Operating Costs at 140% of State Median and Real Wage Growth Allowance at 30% of Increase	Not as Included in Budget	The sum of \$1,023,000 was removed in the budget to reflect the elimination of rate increases for ICF/MR's with operating costs above 150% of the median and limiting rate increases to the CPI for homes below 150% of the median
	Limiting Homes for the Aged Rates by Capping Operating Costs at 130% of State Median and Wage Growth Allowance at 65% of Increase	(\$406,509)	
Section 32	Limit Rates Increases for PAS Subcontractors to Increase in CPI-U	(\$539,206)	
Section 33	Limit Rates for Mental Health & Substance Abuse Residential Facilities to CPI-U	(\$50,000)	
	Limit Rates for Freestanding Detoxification Centers To CPI-U	(\$42,000)	
Section 34	Nursing Home Assessment of \$23 Million	\$11,500,000 Net Revenue	This would result in a revenue gain of \$23 m with a corresponding revenue loss of \$11.5 m to Uncompensated Care Pool revenue
Section 35	Extend Acuity Reporting Deadline to March 1, 1993	None	It should be noted that \$300,000 has been included in the budget for continuation of this study
Section 36	Require Commissioner of DIM to Seek Waiver for Children Saving for College Expenses	Uncertain	DIM would incur minimal costs which can be absorbed associated with the development of the waiver. The State would experience potential future costs & savings which are uncertain, if the waiver is approved.
Section 37	Transfer of Promotion of Independent Living Program from the Dept of Aging to the Dept of Income Maintenance	Transfer from Aging (\$8,542,329)GF (\$2,660,388)Fed	
		Funding to DIM \$8,444,976 GF \$2,660,388 Fed	
	Establish Sliding Fee Scale	(\$500,000)	
	Persons with Both Income & Assets in Excess of Program Criteria will be Required to Pay for Total Cost of Care	Potential Savings	New Provision; Not Included in the Budget
	Establishes Cost of Care Cap at 50% of Nursing Home Costs for New Clients in Future	Potential Future Cost Avoidance	
Section 38	Includes Coordination, Assessment, and Monitoring under the Definition of a Home	Included in \$500,000 in Section 37	

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	Health Agency		
Section 39	DIM, DMH, CADAC, OPM & Municipalities will Establish Procedures to Enhance & Coordinate Necessary Services for GA Recipients	Minimal, Can Be Absorbed	
Section 40	Enhance DMH Provider Consultation	Minimal, Can Be Absorbed	
Section 41	Establishes Standards for Counseling of Medicaid Recipients by Pharmacists	None	
Section 42	Task Force to Evaluate Access and Payment for Home Health Services	Minimal, Can Be Absorbed	
Section 43	Establishes Health Insurance for Unemployed Pilot Program	Refer to Section 45	
Section 44	Establishes Subsidized Non-Group Childrens Insurance Pilot	Refer to Section 45	
Section 45	Earmarks Funds from the Uncompensated Care Pool Set-Aside Account for the Pilots Included in Sections 43 and 44	No State Fiscal Impact	
Section 46 through 54	Establishes New Classification Schedule of Professional Services Fees	See Attachment A	
Section 55 through 65	Revises Uncompensated Care Pool	Uncertain	As there was not sufficient time to review or analyze these changes, the fiscal impact is uncertain. It should be noted that the OFA estimate for UCC and Disproportionate Share revenue enhancements is \$114.5 million lower than the \$283 million included in the Governor's Budget.
Section 66	Revision to Fees to Correspond to New Classification Schedule for Professional Services Fees (Refer to Section 46-54)	See Attachment A	
Section 67	Establishes a Task Force to Study the Restructuring of Public Assistance Programs to Further Self-Sufficiency	Minimal, Can Be Absorbed	
Section 68	Allows Implementation of 85% Reimbursement for GA	Refer to Section 2	
Section 69	Transfers Funding for the Pilot Program to Purchase & Dispose of Firearms by Restoring \$200,000 to the CADAC Drug Assets Forfeiture Fund and Removing \$200,000 from the Public Safety Drug Assets Forfeiture Fund	See Attachment B	
Section 70	Repeals Statutory References to the Screening of Private Pay Nursing Home Patients	(\$274,000)	
	Total-General Fund (Gross)	(\$60,564,795)	