

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 17 - HB 115**

February 21, 2015

**SUMMARY OF BILL:** Requires a person with an intellectual disability who is on the waiting list for services to be enrolled in the self-determination waiver within six months of the person's older custodial parent or caregiver attaining the age of 75.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$3,437,600/FY15-16**  
**\$4,315,900/FY16-17**  
**Exceeds \$4,315,900/FY17-18 and Subsequent Years**

**Increase Federal Expenditures - \$6,393,900/FY15-16**  
**\$8,027,600/FY16-17**  
**Exceeds \$8,027,600/FY17-18 and Subsequent Years**

Assumptions:

- The Department of Intellectual and Developmental Disabilities (DIDD) does not have data regarding the age of the parents or caregivers of individuals on the waiting list for services.
- Based on discussions between DIDD and the Arc of Tennessee, the Arc estimates that approximately 400 individuals on the waiting list currently have a parent or primary caregiver who is 75 years of age or older. This includes everyone on the waiting list in the crisis and urgent categories who is at least 50 years old.
- The average cost per person per day for the self-determination waiver is \$55.95 resulting in an increase in expenditures of \$8,168,700 (400 people x \$55.95 per day x 365 days) in FY15-16.
- It is estimated that on average, 10 percent of individuals between the ages of 50-59 or a total of 50 additional individuals throughout the year will meet the proposed requirements and be enrolled in the self-determination waiver. It is estimated that these individuals, on average, will be enrolled in services for at least 183 days in FY15-16 resulting in expenditures of \$511,943 (50 people x \$55.95 per day x 183 days).
- The self-determination waiver does not provide full residential services and has a total spending cap so there are transfers to the statewide waiver each year. Last year approximately 5.1 percent of the people transferred to the statewide waiver. Due to the population of the waiting list that will be impacted by the bill, it is estimated that a slightly higher percent (5.5%) will transfer resulting in 25 individuals (450 x .055) transferring onto the statewide waiver in the second year. This waiver has an average

cost of \$207.04 per person per day resulting in an increase in expenditures of \$1,889,240 (25 people x \$207.04 per day x 365 days) in FY16-17.

- The remaining 425 individuals (450 – 25) will remain on the self-determination waiver resulting in increased expenditures of \$8,679,244 (425 people x \$55.95 per day x 365 days) in FY16-17.
- Approximately 10 percent of the waiting list in the 50-59 year old age range will qualify for the self-determination under the provisions of the bill throughout the second year resulting in an additional 48 individuals receiving 183 days of services. The estimated increase in expenditures will be \$491,465 (48 people x \$55.95 per day x 183 days) in FY16-17.
- It is assumed that these individuals will attain Medicaid eligibility by virtue of their enrollment in the self-determination waiver. According to the Bureau of TennCare, the average cost per person per year is \$2,707.93.
- The increase in expenditures to the TennCare program in FY15-16 for 400 initial enrollees and 50 additional enrollees throughout the year are estimated to be \$1,150,870 [(400 x \$2,707.93) + (50 x (\$2,707.93 x .50))].
- The increase in TennCare program expenditures for the 450 enrollees from year one and an additional 48 enrollees in the waiver in FY16-17 are estimated to be \$1,283,559 [(450 x \$2,707.93) + (48 x (\$2,707.93 x .50))].
- The waiver and Medicaid expenses will receive a federal match rate estimated to be 65.035 percent. For purposes of this estimate, it is assumed that the federal match rate will remain constant. The state funding will be 34.965 percent.
- The total costs in FY15-16 are estimated to be \$9,831,513 (\$8,168,700 + \$511,943 + \$1,150,870). Of this amount, \$3,437,589 (\$9,831,513 x .34965) will be state funds and \$6,393,924 (\$9,831,513 x .65035) will be federal funds.
- The total costs in FY16-17 are estimated to be \$12,343,508 (\$1,889,240 + \$8,679,244 + \$491,465 + \$1,283,559). Of this amount, \$4,315,908 (\$12,343,508 x .34965) will be state funds and \$8,027,600 (\$12,343,508 x .65035) will be federal funds.
- The state and federal expenditures for this bill will continue beyond FY16-17, but due to a number of unknown factors, including but not limited to, the rate of fluctuation for individuals to transfer onto or out of the self-determination waiver, the cost per day variations, and the federal matching rate in the out years, an exact impact cannot be determined. It is estimated that any increase in expenditures in FY17-18 and subsequent years will exceed \$4,315,908 in state funds and exceed \$8,027,600 in federal funds.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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