

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL MEMORANDUM**

**SB 1889 - HB 2674**

March 13, 2020

**SUMMARY OF ORIGINAL BILL:** Extends, from January 15 to January 20 of each year, the date by which the Tennessee Commission on Aging and Disability (TCAD) must provide to the General Assembly an updated report and analysis on the waiting list for the state OPTIONS program.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (014395):** Deletes and replaces all language after the enacting clause. Creates the *Colonel Thomas G. Bowden Act*. Requires the TCAD to establish a three-year OPTIONS dementia care pilot program (Program), beginning July 1, 2020 and ending January 1 2024, to provide home and community-based services for individuals experiencing the symptoms of Alzheimer's or related dementia who do not qualify for Medicaid long-term care services. Requires the Program to be operated as part of the current state-funded OPTIONS program.

Requires services to include meal delivery, homemaker services, personal hygiene and respite care. Limits program participation to 150 in the first year of the program. Requires the program to serve a minimum of 150 participants in each year thereafter for the remainder of the program. Requires TCAD to give priority for enrollment to those individuals on the wait list for the OPTIONS program as of the effective date of the legislation.

Requires the program be based on a sliding fee scale and allow for cost sharing of services.

Requires TCAD to submit a written report on the status of the Program to the General Assembly on or before January 15, 2021, and each January 15 thereafter until the close of the pilot period.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On March 2, 2020, a fiscal memorandum was issued for this legislation with the following estimated impact:

*Increase State Expenditures - \$664,100/FY20-21*

*Exceeds - \$664,100/Each FY21-22 and FY22-23*

*Exceeds - \$332,000/FY23-24*

Due to updated information provided by the Tennessee Commission on Aging and Disability, the fiscal impact was determined to be inaccurate. As a result, the estimated fiscal impact for the bill as amended has been corrected as follows:

**(CORRECTED)**

**Increase State Expenditures - \$607,100/FY20-21**

**Exceeds - \$607,100/Each FY21-22 and FY22-23**

**Exceeds - \$303,500/FY23-24**

Corrected Assumptions for the bill as amended:

- TCAD currently operates OPTIONS, a community-based services program to serve older individuals and adults with disabilities who do not qualify for Medicaid long-term care services.
- The OPTIONS program currently provides all the services mandated by the proposed legislation with the exception of respite care services.
- The average cost per participant per year in the OPTIONS program is \$3,200.
- According to TCAD, the average cost for respite care services is \$16.28 per hour. It is assumed each participant in this pilot program will receive one hour of respite care services per week.
- The total cost for respite care per participant per year is estimated to be \$847 (\$16.28/hr x 52 weeks).
- For purposes of this analysis, the total cost per participant per year in the pilot program is estimated to be \$4,047 (\$3,200 + \$847).
- Based on the Alzheimer's Association 2019 Facts and Figures Report, an estimated 120,000 people over the age of 65 are living with Alzheimer's in this state. Therefore, it is assumed the maximum number of 150 individuals will qualify for and participate in the Program in the first year, and a minimum number of 150 individuals in each year thereafter.
- Based on information provided by TCAD, less than one tenth of one percent of participants in the OPTIONS program qualified for cost sharing in FY19-20. Therefore, for the purposes of this fiscal analysis, it is assumed that no participants in the pilot program will qualify for cost sharing of services.
- The increase in state expenditures associated with providing community-based services for 150 participants is \$607,050 (\$4,047 x 150).
- The total increase in state expenditures is estimated to be \$607,050 in FY20-21.
- The total increase in state expenditures is estimated to exceed \$607,050 in each FY21-22 and FY22-23.
- Due to the January 1, 2024 end date, the total increase in state expenditures is estimated to exceed \$303,525 (\$607,050 x 50.0%) in FY23-24.
- Any increase in expenditures to TCAD to develop, implement, and maintain the program, and compile and submit the annual report will not be significant.

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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