

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: May 11, 2004

SUBJECT: Fiscal Impact Statement: Medicaid State Plan Amendment
“Childless Adults 1115 Demonstration Waiver Expansion
Approval Resolution of 2004”

REFERENCE: Draft Resolution – Number Not Available

Conclusion

Subject to the expected approval of additional funds by the Federal Center for Medicare and Medicaid Services (CMS), funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation because the local share funds required are included in the Mayor’s proposed FY 2005 budget.

Background

The proposed legislation would expand Medicaid coverage to childless adults aged 21 to 27 years with incomes up to 50 percent of the Federal Poverty Level (FPL) and childless adults aged 50 to 64 years with incomes from 50 percent to 100 percent of FPL.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation because the local share funds required are included in the Mayor’s proposed FY 2005 through FY 2008 budget and financial plan. According to the Medical Assistance Administration, claims for the services provided to these new populations would be reimbursed using \$12.86 million in Disproportionate Share Hospital funds.

The Office of Budget and Planning has confirmed the local share is contained in the current FY 2005 through FY 2008 budget and financial plan.

Item	FY 2005	FY 2006	FY 2007	FY 2008
Budget	\$12,857,142	\$12,857,142	\$12,857,142	\$12,857,142
Federal Share (70%)	8,999,999	8,999,999	8,999,999	8,999,999
Local Share (30%)	3,857,143	3,857,143	3,857,143	3,857,143
<i>Net fiscal impact</i>	\$0	\$0	\$0	\$0

For FY 2004 and FY 2005, the Medical Assistance Administration has received authority from the Federal Center for Medicare and Medicaid Services to serve childless adults between the ages of 50 and 64 at or below 50% of the federal poverty level (FPL) under this waiver program. Funding supporting this portion of the waiver program is capped by CMS at \$5.6 million. Currently, MAA is serving a greater number of childless adults at or below 50% of FPL under this program at a higher average cost. As a result MAA has requested that CMS lift the \$5.6 million funding cap and permit access to the full \$12.86 million in order to meet the demand in services from this population. Should the cap be lifted, sufficient funds would be available to serve the existing population and permit MAA to institute management controls (i.e., move patients from fee-for-service to managed care) designed to phase in and serve the two new populations under this waiver (childless adults between the ages of 50 and 64 at or below 100% of FPL and childless adults between the ages of 21 and 27 at or below 50% of FPL) within the \$12.86 million funding cap.