

**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

RECEIVED
2005 MAY 26 PM 3:32
CHAIRMAN CROPP

MEMORANDUM

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

FROM: Natwar Gandhi
Chief Financial Officer 

DATE: MAY 26 2005

SUBJECT: Fiscal Impact Statement: "Medicaid Acute Involuntary Admissions
Payment Resolution of 2005"

REFERENCE: Draft - Resolution Number yet to be assigned

Conclusion

Funds are sufficient in the Mayor's and Council's proposed FY 2006 through 2009 budget and financial plan to implement the proposed legislation. There are sufficient resources to fund implementation of this legislation, and the District may achieve approximately \$125,404 of cost savings in FY 2006 and \$627,020 total in decreased expenditures from FY 2006 through FY 2010.

Background

The proposed State Plan Amendment (SPA) will establish a new reimbursement methodology for acute, involuntary psychiatric admissions to private hospitals in the District. The proposed legislation will create a payment mechanism for those private hospitals electing to admit psychiatric patients into their facilities instead of transferring them to St. Elizabeth's Hospital, the preeminent provider of inpatient mental health care in the District.

Financial Impact

Funds are sufficient in the Mayor's and Council's proposed FY 2006 through 2009 budget because the proposed legislation will not necessitate additional agency spending, and may result in cost savings to the District.