


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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: January 30, 2012

SUBJECT: Fiscal Impact Statement – “Medicaid Elderly and Physically Disabled Home and Community Based Waiver Approval Resolution of 2011”

REFERENCE: Draft legislation provided to OCFO on January 5, 2012

Conclusion

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the resolution.

Background

The resolution supports the renewal of the Medicaid 1915(c) Waiver that authorizes the District’s Medicaid program to serve elderly and physically disabled (“EPD”) populations¹ in their homes and/or in community-based settings, such as assisted living facilities. Under federal Medicaid guidelines, EPD populations are typically treated in hospital facilities. States are permitted to apply to the Centers for Medicare and Medicaid Services (CMS) for a waiver if they can demonstrate that home and community-based care provides a better quality of life for the beneficiaries and, on a per capita basis, costs the same or less than traditional treatment options. The District has maintained this waiver since January 2007; this resolution is in support of the standard five-year renewal.

Financial Plan Impact

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the bill.

¹ EPD populations are defined as individuals aged 65 and over, and physically disabled individuals between the ages of 18 and 64.

The Honorable Kwame R. Brown

FIS: "Medicaid Elderly and Physically Disabled Home and Community Based Waiver Approval Resolution of 2011," draft legislation provided to OCFO on January 5, 2012

Based on historic program cost and utilization trends, the Department of Health Care Finance (DHCF) estimates the local costs for the waiver program to be \$35,942,895 in FY 2012, growing to \$39,170,883 by FY 2015.² The local funds are included in the current budget and financial plan.³

² Under federal law, Medicaid costs are apportioned 70 percent to the federal government and 30 percent to local funds. Thus, in FY 2012 the Medicaid cost for the program would be \$83,866,754, and the total cost would be \$119,809,649.

³ In fact, DHCF expects the costs of serving the EPD populations to decline in the coming years because the District is contracting with a vendor to oversee and manage long-term care service provision. The District aims to decrease over-utilization of care by transferring responsibility for the assessment and evaluation of care needs for EPD individuals from the providers to a separate vendor. Data from another state that has successfully implemented a similar effort shows this initiative could reduce costs in the EPD Waiver program, but it is not possible to incorporate such savings into the budget and financial plan without further information.