

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: April 25, 2012

SUBJECT: Fiscal Impact Statement – “Medicaid Hospice for Children Amendment Approval Resolution of 2012”

REFERENCE: Draft legislation, shared with the Office of Revenue Analysis on March 25, 2012

Conclusion

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the proposed resolution.

Background

The proposed resolution would approve an amendment to the District of Columbia State Plan for Medical Assistance (“State Plan”) to allow Medicaid-eligible children under age 21 who elect hospice to have access to non-hospice services that will enhance the quality of their lives, minimize their suffering, and optimize their functionality. Under current practice, Medicaid-eligible children with life-threatening conditions who choose hospice care waive the right to concurrent treatment of their illnesses under the State Plan.

The federal Patient Protection and Affordable Care Act of 2010¹ requires states that include hospice as an optional Medicaid service to offer children who select hospice ongoing services for the treatment of their illnesses. The proposed resolution and State Plan amendment would bring the District in compliance with this federal requirement.

¹ Approved March 23, 2010 (Pub. L. No. 111-148; 124 Stat. 119).

The Honorable Kwame R. Brown

FIS: "Medicaid Hospice for Children Amendment Approval Resolution of 2012," Draft legislation shared with the Office of Revenue Analysis on March 25, 2012

Financial Plan Impact

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the proposed resolution. The table below reflects the high-end estimate of the range of possible costs of implementing the proposed State Plan amendment over the financial plan period.² FY 2012 costs are low because implementation would not begin before August, 2012. DHCF intends to cover any FY 2012 costs from existing funds, and the costs for FY 2013 through FY 2016 are included in the Mayor's proposed budget and financial plan.

Estimated Fiscal Impact of Medicaid Hospice for Children Amendment Approval Resolution of 2011 -- FY 2012 Budget and FY 2013-FY 2016 Financial Plan						
	FY 2012 ¹	FY 2013	FY 2014 ²	FY 2015	FY 2016	4-Year Financial Plan Total ⁴
Local Funds	\$14,717	\$73,583	\$78,587	\$83,931	\$89,638	\$325,738
Federal Medicaid Funds ³	\$34,339	\$171,694	\$183,369	\$195,838	\$209,155	\$760,056
Total	\$49,055	\$245,277	\$261,956	\$279,769	\$298,793	\$1,085,794

Table Notes

¹ Only August and September of FY 2012 are included.

² Beyond FY 2013, costs include federal government's estimated Medicaid annual growth rate of 6.8 percent.

³ Federal funds pay 70 percent of Medicaid costs, local funds pay 30 percent.

⁴ Includes only FY 2013 through FY 2016.

² These estimates are the high end of the range because they assume that every child who chooses hospice care remains on hospice for the maximum allowable time period, which is six months.