

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
Chief Financial Officer

DATE: April 1, 2002

SUBJECT: Fiscal Impact Statement: "Modification to the Medicaid Home and Community-Based Waiver for the Elderly to Increase the Income Eligibility Limit Approval Resolution of 2002"

REFERENCE: Draft Resolution – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan to implement the proposed resolution because the population is already being served with current resources and costs associated with additional beneficiaries are expected to be offset by the lower service costs associated with the waiver. The cost of these waiver services is an on-going expense under Medicaid, which is already funded through current and prior year appropriation.

Background

The proposed resolution would authorize the District of Columbia to increase the income eligibility limit for Medicaid eligible elderly to 300 percent of the federal Supplemental Security Income (SSI) level. The District already enrolls such individuals and has for the past few years. The proposed resolution would supply the required State Plan Amendments (SPAs) and the associated amendment to the Elderly Waiver that were never executed with the federal Centers for Medicare and Medicaid Services (CMS) and reduce the risk of continued disallowances.

The Waiver for the Elderly provides states with the flexibility to develop and implement alternatives to placing Medicaid eligible individuals in hospitals and nursing facilities. Three hundred percent of SSI is \$1645 per month in 2002. This income level allows waiver participants to retain sufficient funds to pay for other, non-medical expenses.

Financial Plan Impact

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan to implement the proposed resolution because the affected population is already being served with current resources. Any costs associated with additional beneficiaries are expected to be offset by the lower service costs associated with the waiver.

The table below illustrates the number of eligible recipients, cost per recipient, as well as the allocation of Medicaid reimbursements between the District and the federal government. The District of Columbia's local share of Medicaid reimbursement is 30 percent and the federal share is 70 percent.

Waiver Services and Medicaid Reimbursement by Share				
	2002	2003	2004	2005
Recipients beyond 300% SSI	110	285	460	635
Avg. Cost	\$23,415	\$24,492	\$25,619	\$26,796
Total	\$2,575,650	\$6,980,220	\$11,784,740	\$17,015,460

Local Share	\$772,695	\$2,094,066	\$3,535,422	\$5,104,638
Federal Share	\$1,802,955	\$4,886,154	\$8,249,318	\$11,910,822
Total	\$2,575,650	\$6,980,220	\$11,784,740	\$17,015,460