

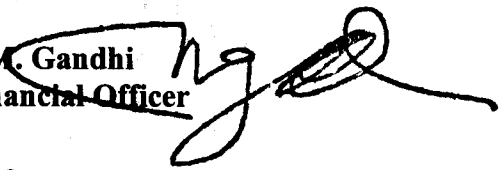
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JUN 30 2008

SUBJECT: Fiscal Impact Statement – “Modification of the Medicaid Mental Retardation and Developmental Disabilities Section 1915c Home and Community-Based Services Waiver Approval Resolution of 2008”

REFERENCE: Draft Bill - No Number Available

Conclusion

Funds are sufficient in the proposed FY 2009 budget but not sufficient in the proposed FY 2010 through 2012 financial plan to implement the provisions of the proposed approval resolution.

Background

The proposed resolution is allowed in accordance with Section 1(a) of an act that enables the District of Columbia to receive Federal financial assistance under Title XIX of the Social Security Act for a medical assistance program.¹ The Mayor may submit a plan for medical assistance (“State Plan”) and modifications thereof to the Secretary of the Department of Health and Human Services. Upon approval, the amendment would allow in year 2 (FY 2009), an inflationary rate increase of 3.2% for services rendered and add 200 participants (150 converting from Intermediate Care Facilities for the Mentally Retarded--ICF/MR--settings and 50 new admissions); year 3, a rate increase of 3% and add 125 participants (100 converting from ICF/MR and 25 new admissions); years 4 and 5, a rate increase of 3% and add 100 and 150 participants all from ICF/MR settings, respectively.

¹ Approved December 27, 1967. 81 Stat. 744; D.C. Official Code § 1-307.02

Financial Plan Impact

Funds are sufficient in the proposed FY 2009 budget but not sufficient in the proposed FY 2010 through 2012 financial plan to implement the provisions of the proposed approval resolution.

This fiscal impact statement assumes that any savings realized from the transfer of individuals from ICF/MR settings to the Home and Community-Based Waiver Program will be redirected to the Department of Disability Services from the Department of Health Care Finance to offset the costs of this expansion. The fiscal impact statement also assumes that any opening created when a consumer vacates an ICF/MR to access services in the waiver program will not be back-filled. The impact on the local fund expenditures outlined below reflects the aforementioned savings in the Department of Health Care Finance.

Local Fund Expenditure Impact to the Financial Plan (\$ in millions)					
	FY 2009	FY 2010	FY 2011	FY 2012	4-Year Total
Costs	\$60.6	\$69.1	\$75.3	\$83.7	\$288.7
Less DHCF savings	(\$2.8)	(\$6.5)	(\$9.7)	(\$14.2)	(\$33.2)
DDS Budgeted Waiver Resources	\$57.9	\$57.9	\$57.9	\$57.9	\$231.6
Net Unbudgeted Cost Impact	\$0	\$4.7	\$7.7	\$11.6	\$24.1