

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 375** HLS 13RS 406
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2013 5:53 PM	Author: HOFFMANN
Dept./Agy.: Health and Hospitals	Analyst: Patrice Thomas
Subject: Fee Schedule for the Early Steps Programs	

EXCEP PERSON/DISABLED OR +\$1,726,480 SG RV See Note Page 1 of 1
 Provides for the EarlySteps childhood disability intervention program and authorizes a fee schedule known as cost participation for services of the program

Proposed law deletes present law relative to Child Net program (the predecessor of Early Steps program) in the Department of Education. Proposed law recreates, revises and renames the Early Steps program within the Department of Health and Hospitals (DHH). Proposed law authorizes DHH to implement a fee schedule known as cost participation for services that a child receives from the Early Steps Program. Proposed law authorizes DHH to seek payment from all third-party payers. Proposed law requires DHH to promulgate rules that establish a monthly cost participation schedule.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$1,726,480	\$2,126,480	\$2,126,480	\$2,126,480	\$2,126,480	\$10,232,400
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$1,726,480	\$2,126,480	\$2,126,480	\$2,126,480	\$2,126,480	\$10,232,400

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$1,726,480	\$2,126,480	\$2,126,480	\$2,126,480	\$2,126,480	\$10,232,400
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$1,726,480	\$2,126,480	\$2,126,480	\$2,126,480	\$2,126,480	\$10,232,400

EXPENDITURE EXPLANATION

The proposed legislation will result in an \$1,726,480 increase in Fees and Self-Generated Revenues in FY 14 in the Department of Health and Hospitals (DHH). It is anticipated that these funds will be used in the Early Step program. It is unknown if State General Fund currently in the Early Step program will be reduced by a like amount.

REVENUE EXPLANATION

The proposed legislation may result in an increase in Fees & Self-Generated Revenue as a result of the Department of Health and Hospitals (DHH) assessing fees in the Early Steps program to families with income above a certain percentage of the federal poverty level (FPL). Proposed legislation moves statutory authority for the Early Steps program from the Department of Education to DHH, which presently operates the program. Also, the proposed legislation authorizes DHH, in accordance with the Administrative Procedure Act, to promulgate rules that establish a fee schedule, known as cost participation, for Early Step services. Early Steps provides services to families with infants and toddlers aged birth to three years (36 months) who have a medical condition likely to result in a developmental delay, or who have developmental delays.

According to DHH, the preliminary cost participation table (fee schedule) will apply to families with annual income that is above 250% of the federal poverty level (FPL). Based on a preliminary proposed cost participation table provided by DHH to the Legislative Fiscal Office (LFO), a family of four with annual income of \$55,884, which is 250% of the 2013 FPL, will be required to pay \$15 per hour of service, pay 25% of assistive technology costs, and maximum monthly contribution of \$125 per month. In FY 12, an average of 4,237 children per month received Early Step services. DHH projects 1,991 number of families will be required to provide cost participation. In addition, DHH estimates 200 of families will not participate in the Early Steps program as a result of the cost participation table; thereby reducing State General Fund savings by \$400,000 (200 families x \$2,000 per child). Also, according to DHH, families currently enrolled in the Early Steps program will be phased into the new cost participation from July 1, 2013 to December 1, 2013, thereby reducing State General Fund savings by approximately \$400,000.

Family Cost Participation Impact

\$2,526,480 - Projection of 1,991 families
 \$ 400,000 - Projection of 200 families not participating
\$ 400,000 - Projection of 6 month phase-in in FY 14
 \$1,726,480

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

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