



Legislative Fiscal Bureau

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May 21, 2003

Joint Committee on Finance

Paper #392

Intensive, In-Home Services for Autistic Children (DHFS -- Health Care Financing -- Payments, Services, and Eligibility)

[LFB 2003-05 Budget Summary: Page 218, #12]

CURRENT LAW

Autism is usually referred to as autism spectrum disorder and is a developmental disability that affects the functioning of the brain. The earliest it can be diagnosed is at 18 months of age, but a reliable diagnosis is usually not possible until the child is at least two years of age. According to the fourth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), autism spectrum disorder is a pervasive developmental disorder and includes autistic disorder, Asperger's disorder, Rhetts disorder, and childhood disintegrative disorder and pervasive developmental disorder – not otherwise specified.

According to DSM-IV, studies suggest that only a small percentage of children with autism are able to live and work independently as adults. In about one-third of autism cases, some degree of partial independence as an adult is possible into adulthood. An individual's language skills and overall intellectual level are the strongest factors related to his or her ultimate prognosis. According to DSM-IV, between two and five individuals per 10,000 are autistic. However, these prevalence rates are based on older studies. According to the U.S. Centers for Disease Control and Prevention, a more accurate, yet conservative estimate suggests that perhaps one in 1,000 individuals in the U.S. have autism.

MA Intensive, In-Home Autism Services. Under Wisconsin's medical assistance (MA) program, intensive in-home autism services are one-on-one behavioral modification therapy services for children with autism disorder, Asperger's disorder, or pervasive developmental disorder. MA-eligible children with Rhetts disorder or childhood disintegrative disorder are not eligible to receive these therapy services but are eligible to receive other MA-covered services.

The therapy is based on a plan developed by a lead therapist, which is a clinical psychologist or psychiatrist with at least 1,500 hours of training or supervised experience in applied behavioral analysis (ABA) or equivalent behavior modification theory for children with autism. Line staff provide most of the therapy services. These line staff are paraprofessionals with a minimum of two years of college and at least 30 hours using intensive behavioral treatment with children with autism or at least 160 hours working in any setting with children with autism, or be at least 18 years old and a high school graduate with at least 2,000 hours of training or supervised experience in the application of ABA or an equivalent behavior modification therapy program with children with autism. Line staff are supervised by a senior therapist, which is either an MA-certified psychotherapy provider with at least 400 hours of training or supervised experience in the use of ABA or an equivalent behavior modification therapy program for children with autism as part of their training, or an individual with a bachelors degree in a human services discipline and at least 2,000 hours or training or supervised experience in the use of ABA or an equivalent behavior modification therapy with children with autism.

These services are intended to teach autistic children the skills that children with normal development would typically learn by imitating others around them, such as social interaction and language skills. Prior authorization is required before MA will reimburse for any in-home autism services. The prior authorization is initially available for no more than a six-month period and must be renewed every six months.

Under the guidelines developed for review of prior authorization requests for in-home autism services, families of the children receiving intensive, in-home autism services must participate in the initial training session that initiates the therapy and must remain involved with the therapy team so that they are able to carry through and reinforce the behaviors their children learn in therapy. The parents do not need to be available for all therapy sessions, but must be present at team meetings and workshop sessions.

Line staff may be reimbursed for time spent accompanying children to out-of-home activities as part of a transition to school or day care or other out-of-home settings. The prior authorization guidelines also indicate that DHFS expects that the greatest benefits from these services would be within the first two to three years of treatment. However, services may be continued for longer periods if needed for reinforcement of the gains made in treatment, but that DHFS would expect the therapy to be provided in fewer hours for this kind of maintenance therapy.

DHFS began covering intensive, in-home autism services as part of the state's MA program in 1994 as a result of an appeal filed by a family of a child with autism. Initially, the family claimed that the state must cover the service as an early and periodic screening, diagnosis, and treatment (EPSDT) benefit. DHFS initially denied the intensive, in-home autism services for the child on the grounds that the service was experimental and therefore could not be covered under MA. The child's family appealed that determination. The hearing examiner determined

that the services were not experimental and DHFS stipulated to the terms of the hearing examiners order, beginning in December, 1994.

In 1993-94, DHFS paid approximately \$2,400 to serve one child with intensive, in-home autism services. By 2001-02, 1,076 children were receiving the benefit and expenditures totaled approximately \$31.8 million (all funds) at an average cost of approximately \$30,000 per child.

This service is currently available as a fee-for-service benefit under the EPSDT benefit. A fee-for-service benefit means that the provider bills MA directly for any services provided and reimbursement for allowable services is paid by DHFS up to the maximum reimbursement rate. The maximum reimbursement rates for intensive, in-home autism services are \$80.52 per hour for a lead therapist, \$64.41 per hour for a senior therapist with certification or \$32.21 per hour for senior therapists without certification, and \$26.84 per hour for line staff.

There are currently 11 providers that are certified to provide intensive, in-home autism services to Wisconsin MA recipients. MA will only cover services for children that began receiving the benefit before 12 years of age and will not cover the services once the child reaches his or her sixteenth birthday. In 2001-02, 664, or approximately 62% of the children receiving the benefit, had been receiving the benefit for three years or less and 112, or approximately 10%, were receiving the benefit for five years or more. Dane County has the largest number of children receiving the benefit, with 216 of the 1,076 receiving the benefit in 2001-02.

EPSDT Services. Intensive, in-home autism services are currently provided as treatment under the EPSDT benefit. In Wisconsin, this benefit is usually referred to as HealthCheck. EPSDT is required under federal law for all children enrolled in MA under 21 years of age. The benefit requires that comprehensive screenings occur throughout the child's life, according to a developmental schedule. Federal law requires that for any condition identified in an EPSDT screening, children must receive coverage of all services necessary to diagnose, treat, or ameliorate the condition, as long as the service is within the scope of services that could be covered under MA, including optional services, regardless of whether the states actually elects to cover the service.

Katie Beckett Eligibility Criteria. Approximately 90% of children that currently receive intensive, in-home autism services are eligible for MA through "Katie Beckett" eligibility provisions. Under federal law, states have the option to cover children less than 19 years of age that meet the criteria to be served in a medical institution, but reside at home and are not otherwise eligible for MA because their parents have too much income and/or assets for the child to qualify. Wisconsin and 20 other states allow children to be eligible for MA under these criteria, known as Katie Beckett eligibility criteria. Because such a large percent of children receiving intensive, in-home autism services are eligible for MA through the Katie Beckett eligibility criteria, many of the families of these children have more income and resources than the families of most children enrolled in MA.

GOVERNOR

Reduce MA benefits funding by \$19,997,600 (-\$8,316,000 GPR and -\$11,681,600 FED) in 2003-04 and \$19,995,200 (-\$8,316,000 GPR and -\$11,679,200 FED) in 2004-05 to reflect projected net savings that would result by no longer covering intensive, in-home services to children with autism under MA. If this proposal were approved, these children would be able to receive treatment services through clinics, schools, and other types of services. Consequently, the administration's estimate of the cost savings includes projected increases in the cost of these other MA-covered services.

DISCUSSION POINTS

1. The Governor's recommendations to eliminate intensive, in-home autism services was based on an understanding that the services were not available for federal matching funds as a fee-for-service benefit under EPSDT.

2. In a letter dated April 17, 2003, officials from the Center for Medicaid and State Operations in the Centers for Medicare and Medicaid Services (CMS) in the U.S. Department of Health and Human Services indicated that "the appropriate method for the State of Wisconsin to claim federal financial participation for your intensive in-home autism service is through a section 1915 (c) home and community based service waiver." CMS officials have verbally indicated to DHFS that CMS would not attempt to recover any federal funds that have been claimed for intensive, in-home autism services as a fee-for-service benefit.

3. After SB 44 was introduced, the Governor submitted a proposal to revise his proposal to delete this benefit entirely and instead to cover intensive, in-home autism services as a service under the home and community-based services waivers to redesign the children's long-term care system. In addition, the Governor proposes to modify the current benefit under fee-for-service during the time this benefit would transition from a fee-for-service benefit to a benefit available under the terms of a waiver.

4. There are three critical distinctions between services provided under fee-for-service, and services provided under waivers. One, funding for waiver programs are typically allocated to counties and counties are responsible for contracting with providers to serve individuals in waivers. Two, individuals receiving services under a community-based waiver are not entitled to receive services and therefore, states are permitted to establish waiting lists for services if sufficient funding is not available. Three, approval of waivers require states to agree to a variety of quality assurance activities which are not required for services provided as fee-for-service. These quality assurance activities result in increased administrative costs associated with providing services under waivers compared with fee-for-service.

5. DHFS expects to submit the waivers to redesign the children's long-term system as soon as possible, pending approval from the Legislature on its plan for the in-home autism services. DHFS expects implementation of the waiver for children with autism to begin in the fall of 2003.

The waiver services for other eligible children would be implemented in July, 2004. The transition plan described below would only apply during the period from July 1, 2003, until the waiver is implemented several months later.

The following section of this paper describes the Governor's proposal to modify the existing benefit during the transition to the waiver, the proposed redesign of the children's long-term care system, and the autism benefit available under the proposed waiver, and the proposed funding to restore the autism benefit under the waiver.

Description of Modifications to Current Autism Benefit Pending Implementation of the Waivers

6. The Governor's transition proposal would require a number of changes to the current fee-for-service benefit to ease the transition from the fee-for-service benefit to the waiver, particularly for those children that would not qualify to receive the benefit under the waiver.

7. The proposed changes include requirements that: (a) to be eligible for coverage, services must begin before a child's eighth birthday, rather than before the twelfth birthday, as under current practice; (b) payment for services would be limited to three years; (c) reimbursement would be limited to 35 hours per week, including time for lead therapists, senior therapists and line staff, but not including travel time; (d) payment for initiation and workshop hours would be limited to a maximum of eight hours the first day of services for one lead therapist, one senior therapist, and up to five line staff per child; (e) separate codes for reimbursement of travel time would be created; and (f) experience and training qualifications for line staff would be modified to require that all line staff be high school graduates with at least 160 hours of experience working with children with autism or 30 hours of direct face-to-face time with children with autism under the supervision of a senior therapist.

8. Beginning July 1, 2003, DHFS would review cases of each child who is currently receiving intensive, in-home autism services to determine if the child has been receiving the therapy for more than three years. If so, the child would be eligible to receive up to 15 hours per week of transitional services. For children that have been in therapy less than three years, transitional services may be provided if DHFS determines these services to be appropriate. Time for a child to be transitioned to the community would be authorized as needed.

9. Further, DHFS would reduce the reimbursement rates paid to providers beginning July 1, 2003, under this proposal. Line staff would be reimbursed for face-to-face time at \$20 per hour, rather than the current \$26.84 per hour and the rate for a lead therapist would be reduced to \$64.41 per hour, the same rate paid for a senior therapist, rather than the current \$80.52 per hour paid for a lead therapist.

Children's Waiver Programs

10. Under section 1915 (c) of the Social Security Act, CMS may waive certain requirements of federal MA law to permit states to offer supports and services to people eligible for

MA who would otherwise meet the level of care provided in an institutional setting, such as a hospital, nursing facility, or intermediate care facility for the mentally retarded (ICF-MR). Under the community-based waiver provisions of federal MA law, states may offer medical and support services to certain groups of MA enrollees. Community-based waiver services provide a cost-effective alternative to institutional care through the provision of services that may not otherwise be available to MA recipients.

11. In order to obtain a federal MA home- and community-based services waiver from CMS, a state must demonstrate that the care it will provide for individuals under the waiver will reduce MA expenditures, or, at a minimum, be cost neutral. The projected average per capita cost for individuals receiving services under a waiver may not exceed the costs that would have been incurred for the same group of individuals had the waiver not been granted. A state may exclude individuals from the waiver for whom the cost of waiver services is likely to exceed the cost of institutionalization. States must also provide assurances that safeguards are in place to protect the health and welfare of waiver participants. This includes quality assurance functions, which encompasses monitoring the quality control procedures, including individual plan and services reviews, as well as ongoing quality assurance activities and technical assistance to counties and providers. In addition, the state must agree to address all problems that are identified through the monitoring activities.

12. Federal regulations require one waiver for each target group. There are three target groups under the children's long-term care redesign. Therefore, DHFS plans to submit three waivers that would operate as one program for children with long-term support needs. Overall, the waivers are requested to provide home and community-based services to individuals who, but for the provision of such services, would meet the following institutional levels of care: (a) the children's physical disability waiver would include children with hospital, intensive skilled nursing, skilled nursing, and intermediate care facility levels of care; (b) the children's developmental disability waiver would include children who meet the ICF-MR level of care; and (c) the children's mental health waiver would serve children who meet the psychiatric hospital or severe emotional disturbance level of care. Each of these waivers would be limited to individuals up to 22 years of age.

With the federal approval of these three waivers, DHFS would be able to operate and administer the children's long-term care redesign program, which is a separate provision in the bill. It is under these waivers that services for children with autism would be provided.

13. The children's long-term care redesign program would provide waiver services for children with long-term care needs that are currently on a waiting list for the family support program, COP, or existing waiver programs. As of December, 2002, there were 3,379 children who were either underserved or on a waiting list for the family support program. As of April, 2003, there were 2,101 individuals under the age of 23 on waiting lists for COP or existing waiver programs. Some of these children may be on waiting lists for both programs. The redesign program would provide child appropriate services, a single point of entry for all long-term care programs for children, one eligibility process for children's programs using an automated functional

screen, and improved coordination of care. The children waiver services would include: (a) support and service coordination; (b) supportive home care; (c) respite care; (d) habilitation services, including day services, after-school supports, supported employment services, and supplemental educational services; (e) environmental accessibility adaptations; (f) specialized transportation; (g) specialized medical equipment and supplies; (h) adaptive aids; (i) personal emergency response systems; (j) family training; (k) counseling and therapeutic resources; (l) psychosocial rehabilitation; and (m) intensive in-home autism treatment services.

14. The provision for the children's long-term care redesign includes funding for implementation costs. These costs include: (a) 1.0 contract position; (b) ongoing maintenance for a functional screen that would determine eligibility for five different programs for children, including the children's waiver programs; (c) quality assurance activities; and (d) database revisions that would link multiple existing state databases to each other, including the long-term support database that would include the children waivers. The bill would provide \$420,000 (\$210,000 GPR and \$210,000 FED) in 2003-04 and \$270,000 (\$135,000 GPR and \$135,000 FED) in 2004-05 for these activities.

DHFS indicates that these services are necessary from the agency to implement both the long-term redesign program as well as the in-home autism benefit. The estimated costs for the Governor's revised autism proposal do not include funding to support these costs, since they are included in the children's long-term care redesign provision.

Autism Benefit Under the Waivers

15. The intensive, in-home autism benefit would be added as a service code under the waiver for children with serious emotional disturbances and the waiver for children with developmental disabilities. In the waivers, DHFS would define intensive, in-home autism therapy services as essentially the same as the current definition with the following exceptions: (a) services would only be available if initiated before the child's eighth birthday; (b) an independent evaluation of a child would be required to confirm a child's diagnosis (no earlier than 24 months of age) of autism disorder, Asperger's disorder, or pervasive developmental disorder-not otherwise specified; (c) services would be available for a minimum of 25 hours per week, with 20 hours per week as the minimum number of hours of therapy that would be covered under the waiver (the remaining hours per week would be provided by parents or other caregivers); (d) services would be available for no more than three years, including time needed to transition, the child into the community; (e) after 18 months of therapy, a second independent evaluation would be performed to assess a child's progress in terms of improvement in behavior, socialization, or improvement in the child's intelligence quotient (IQ).

16. If a child's family elects to receive intensive, in-home autism therapy services under one of the waivers: (a) the family must accept to receive the minimum number of hours of therapy per week; and (b) the child would not be eligible to receive other support services under the terms of the waiver.

17. Families of children receiving the intensive, in-home autism benefit would be subject to the same cost-sharing requirements that would apply to the families of any children participating in one of the long-term care waivers.

18. Older children or children who have received more than three years of the intensive, in-home therapy services would continue to be able to access in-home therapy services through other service codes that would be available under the waiver. Service codes for counseling and therapeutic services would be available to provide services in the child's home and could be used to transition a child into the community. Other services available under the waivers have been described previously in this paper.

19. Counties would administer the children's long-term care waivers, including the in-home autism benefit. Administering waiver services involves quality assurance activities and responsibility for contracting with providers for services. Because counties do not currently have relationships with the providers of intensive, in-home autism therapy services, DHFS expects to be involved in initially negotiating provider rates and perhaps developing a preferred provider list that counties could use to contract for intensive, in-home autism services.

20. However, counties have long had relationships with children with developmental disabilities with other MA waiver programs and the birth-to-three program and therefore, would be expected to successfully administer the children's long-term care waivers and the intensive, in-home autism services. The funding model developed by DHFS would provide funding to support counties' case management costs related to serving families receiving in-home autism services under the waivers. However, if a county chooses not to administer the waivers, DHFS would be required to contract with a private organization to administer the waivers in that county.

Cost-Sharing for the Autism Benefit

21. Families would be required to pay a monthly fee if their child receives publicly funded autism services. This includes the autism intensive in-home services provided under the waivers. Under federal law, states cannot require cost-sharing of children receiving services under MA, including waiver programs. However, this cost-sharing requirement would be outside of the scope of MA and the waiver and failure to pay any required cost-sharing could not be used as grounds for denial of services. The current authority for this cost-sharing requirement exists in current law under Chapter 46 of the statutes.

22. The amount a family would pay is a flat-fee, based on family income, adjusted for family size and the number of children in the family with a disability. A standard deduction of \$3,300 or an amount equal to the actual medical expenses claimed by the family on their federal tax form would be applied to each family's income to take into account disability-related expenses. An additional \$3,300 deduction would be applied to a family's annual income for each additional child (under 19 years of age) with a disability. Annual income for this purpose is defined as gross earnings and does not include assets. All families with adjusted gross income (after the standard deduction) under 300% of the poverty level would not pay a monthly fee. If the family participates

in other programs that have financial eligibility criteria at or below the autism standard (300% of the poverty level), the family is exempt from the cost share requirement. These programs are the food stamp program, BadgerCare, Healthy Start, women, infants and children (WIC) supplemental food program, W-2, free or reduced school lunch, and SSI.

23. Under the draft parental share schedule, a family's monthly fee would range between \$35 and \$835. Tables 1 and 2 show the 2003 federal poverty levels based on family size, adjusted for the \$3,300 standard disability allowance, and the subsequent monthly cost share.

TABLE 1
Percentages of the Federal Poverty Levels (FPL) for 2003
For Families with One Child With Disabilities
Adjusted for \$3,300 Standard Disability Allowance and Family Size

| Family Size | <u>300%</u> | <u>400%</u> | <u>500%</u> | <u>600%</u> | <u>700%</u> | <u>800%</u> | <u>900%</u> | <u>1000%</u> | <u>1100%</u> | <u>1200%</u> | <u>1300%</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| 1 | \$30,240 | \$39,220 | \$48,200 | \$57,180 | \$66,160 | \$75,140 | \$84,120 | \$93,100 | \$102,080 | \$111,060 | \$120,040 |
| 2 | 39,660 | 51,780 | 63,900 | 76,020 | 88,140 | 100,260 | 112,380 | 124,500 | 136,620 | 148,740 | 160,860 |
| 3 | 49,080 | 64,340 | 79,600 | 94,860 | 110,120 | 125,380 | 140,640 | 155,900 | 171,160 | 186,420 | 201,680 |
| 4 | 58,500 | 76,900 | 95,300 | 113,700 | 132,100 | 150,500 | 168,900 | 187,300 | 205,700 | 224,100 | 242,500 |
| 5 | 67,920 | 89,460 | 111,000 | 132,540 | 154,080 | 175,620 | 197,160 | 218,700 | 240,240 | 261,780 | 283,320 |
| 6 | 77,340 | 102,020 | 126,700 | 151,380 | 176,060 | 200,740 | 225,420 | 250,100 | 274,780 | 299,460 | 324,140 |
| 7 | 86,760 | 114,580 | 142,400 | 170,220 | 198,040 | 225,860 | 253,680 | 281,500 | 309,320 | 337,140 | 364,960 |
| 8 | 96,180 | 127,140 | 158,100 | 189,060 | 220,020 | 250,980 | 281,940 | 312,900 | 343,860 | 374,820 | 405,780 |

TABLE 2

Draft of Assignment of Parental Cost Share

| <u>Adjusted Income as Percent of Federal Poverty Level</u> | <u>Monthly Cost Share</u> |
|--|-------------------------------|
| Up to 300% | None |
| > 300% thru 350% | \$35 |
| > 350% thru 400% | 50 |
| > 400% thru 450% | 75 |
| > 450% thru 500% | 100 |
| > 500% thru 550% | 150 |
| > 550% thru 600% | 200 |
| > 601% thru 650% | 250 |
| > 650% thru 700% | 300 |
| > 700% thru 750% | 350 |
| > 750% thru 800% | 400 |
| > 800% thru 850% | 450 |
| > 850% thru 900% | 500 |
| > 900% thru 950% | 560 |
| > 950% thru 1,000% | 620 |
| > 1,000% thru 1,150% | 670 |
| > 1,150% thru 1,300% | 750 |
| > 1,300% | 835 |

24. DHFS expects that most parents would pay the parental enrollment fee. However, if some parents do not cooperate, DHFS would have a variety of administrative means to collect payment, with extreme cases resulting in court judgments that could result in recovery of state income tax refunds, liens on real property, and garnishment of wages.

Funding

25. The administration's revised proposal to implement intensive, in-home autism services as a waiver benefit is expected to cost \$32,014,100 (all funds) in 2003-04 and \$32,432,900 (all funds) in 2004-05. Using the funding provided in the bill for services for children with autism to partially support the costs of the Governor's revised proposal, it is expected that the funding in the bill would need to be increased by \$8,612,400 GPR and \$12,401,700 FED in 2003-04 and \$8,730,000 GPR and \$12,702,900 FED in 2004-05 to fund the Governor's revised proposal. Table 3 summarizes the costs of the revised proposal.

TABLE 3

**Summary of Fiscal Effect
Governor's Revised Proposal**

| | 2003-04 | | | 2004-05 | | |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | <u>GPR</u> | <u>FED</u> | <u>Total</u> | <u>GPR</u> | <u>FED</u> | <u>Total</u> |
| Current Benefit | \$4,840,100 | \$6,800,300 | \$11,640,400 | \$0 | \$0 | \$0 |
| Waiver Services | 8,079,200 | 11,679,000 | 19,758,200 | 13,334,500 | 19,198,400 | 32,532,900 |
| Assessments | 330,800 | 464,700 | 795,500 | 104,100 | 145,900 | 250,000 |
| Quality Assurance | 62,500 | 62,500 | 125,000 | 62,500 | 62,500 | 125,000 |
| DHFS Staff | 10,800 | 14,200 | 25,000 | 10,800 | 14,200 | 25,000 |
| Cost-Sharing | <u>-137,200</u> | <u>-192,800</u> | <u>-330,000</u> | <u>-208,100</u> | <u>-291,900</u> | <u>-500,000</u> |
| | \$13,186,200 | \$18,827,900 | \$32,014,100 | \$13,303,800 | \$19,129,100 | \$32,432,900 |
| Funding in the Bill | -\$4,573,800 | -\$6,426,200 | -\$11,000,000 | -\$4,573,800 | -\$6,426,200 | -\$11,000,000 |
| Net Change to Bill | \$8,612,400 | \$12,401,700 | \$21,014,100 | \$8,730,000 | \$12,702,900 | \$21,432,900 |

26. Each of the cost components of the administration's revised proposal is described below.

Current Benefits. These amounts represent the estimated cost to continue providing the fee-for-service benefit, with the modifications described above, until the waivers are implemented.

Waiver Services. Funding for waiver services would be allocated to counties to fund services for the children with autism and county administrative costs. These amounts are based on estimated costs to serve approximately 1,100 children that are projected to receive the current autism benefit at the end of the current fiscal year and an additional 250 children annually. Each county's allocation would be based on an estimated cost to serve each child. However, the actual cost of serving the children would be based on the amount of hours authorized by a county, the number of children served, and the rates paid by counties to providers.

The cost projections include the cost to transition children off the current benefit at an average of approximately \$31 per day. Children receiving the intensive benefit are expected to cost an average of \$91 per day.

DHFS expects that this level of funding would be sufficient to provide services to all children with autism that would be eligible to receive services. However, to the extent demand for the intensive, in-home autism services exceeds the expected demand, counties could use their own funding to serve those children or establish waiting lists for services.

Assessments. Funding would be provided for MA benefit costs for independent assessments that would be required for a child to be eligible for the autism benefit under the waiver and a follow-

up independent assessment at the time a child has been receiving services for 18 months. These costs represent fee-for-service costs paid directly by DHFS from the MA benefits appropriation. The estimate is based on an assumption that the assessments would cost \$500 each for children currently receiving intensive, in-home autism services and \$1,000 each for each new child referred for services.

Quality Assurance. Funding would be provided for 1.5 contract positions that would function as a community integration specialist. This staff would respond to critical incident reports, including investigation of abuse, neglect, misappropriation of property, or rights violations, and conduct random and targeted reviews for health and safety activities that are required under the terms for community-based waivers, among other quality assurance activities. In addition, funding would be provided to purchase 100 hours per year of time associated with the National Core Indicators process, developed by the Human Services Research Institute, which provides access to a nationally recognized performance and outcome indicators that enable DHFS to benchmark performance under the waiver.

DHFS Staff. Funding would be provided to increase DHFS staff by 0.19 GPR and 0.25 FED position, effective July 1, 2003. Currently, 0.56 position (0.31 GPR position and 0.25 FED position) performs activities relating to the children's long-term care redesign project. The administration's revised proposal would provide an additional 0.44 position (0.19 GPR position and 0.25 FED position) to meet workload associated with implementing the waiver and increasing caseloads.

Cost-Sharing. The estimate projects that cost-sharing from the parental enrollment fee would increase revenue by \$330,000 in 2003-04 and \$500,000 that would be used to offset GPR and federal funds. Because DHFS has no information that identifies the income of families with children currently receiving the intensive, in-home autism benefit, this estimate is uncertain.

27. These estimates do not include funding to implement the children's long-term care redesign. That item is separately funded under the bill. However, implementation costs associated with transitioning children with autism to the waiver would be absorbed in the funding that would be provided in the bill for the children's long-term care redesign. These costs are not included here since they are already funded under that provision. However, if the Committee does not approve funding for the children's long-term care redesign, the estimated cost of the in-home autism services proposal would increase.

28. The autism services estimate is based on the assumption that the waivers would be implemented on November 1, 2003, and that the current benefit would be maintained, with the modifications described above, until the waiver is implemented. DHFS indicates that CMS staff have given DHFS verbal assurances that the state can continue to claim federal funding for the intensive, in-home autism services benefit until the waiver is implemented, as long as DHFS proceeds quickly to submit the waiver proposal. DHFS indicates that it is ready to submit the waiver proposals to CMS upon legislative approval of this proposal and the funding provided in the bill for the children's long-term care redesign.

29. If the Committee approves the Governor’s revised proposal to provide intensive, in-home autism services under the children’s long-term care waivers, funding in the bill would need to be increased by \$21,014,100 (\$8,612,400 GPR and \$12,401,700 FED) in 2003-04 and \$21,432,900 (\$8,730,000 GPR and \$12,702,900 FED) in 2004-05 and statutory changes would be necessary to authorize DHFS to include the autism benefit under the waiver.

30. Alternatively, if the Committee wants to reduce the costs of this proposal, it could provide \$19,456,500 (\$7,964,600 GPR and \$11,491,900 FED) in 2003-04 and \$16,229,700 (\$6,563,900 GPR and \$9,665,800 FED) in 2004-05, which would provide funding sufficient to 150 new children each year, rather than 250 new children each year, as provided under the Governor’s revised proposal. Under this alternative, it is more likely that the funding provided would not be sufficient to fully fund the demand for intensive, in-home autism services under the waiver, which would result in a waiting list for services.

ALTERNATIVES

1. Adopt the Governor’s recommendations, as provided in SB 44.

2. Adopt the Governor’s revised recommendations to create an intensive, in-home autism benefit under a community-based waiver program. Provide \$8,612,400 GPR and \$12,401,700 FED in 2003-04 and \$8,730,000 GPR and \$12,702,900 FED in 2004-05 to fund the revised proposal and provide 0.19 GPR position and 0.25 FED position, beginning in 2003-04. Authorize DHFS to seek a waiver that would include intensive, in-home autism services as a benefit for children with developmental disabilities or serious emotional disturbances.

| <u>Alternative 2</u> | <u>GPR</u> | <u>FED</u> | <u>TOTAL</u> |
|---|--------------|--------------|--------------|
| 2003-05 FUNDING (Change to Bill) | \$17,342,400 | \$25,104,600 | \$42,447,000 |
| 2004-05 POSITIONS (Change to Bill) | 0.19 | 0.25 | 0.44 |

3. Adopt the Governor’s revised recommendations to create an intensive, in-home autism benefit under a community-based waiver program. Provide \$7,964,600 GPR and \$11,491,900 FED in 2003-04 and \$6,563,900 GPR and \$9,665,800 FED in 2004-05 to fund the revised proposal at a lower amount. In addition, provide 0.19 GPR position and 0.25 FED position, beginning in 2003-04. Authorize DHFS to seek a waiver that would include intensive, in-home autism services as a benefit for children with developmental disabilities or serious emotional disturbances.

| <u>Alternative 3</u> | <u>GPR</u> | <u>FED</u> | <u>TOTAL</u> |
|---|--------------|--------------|--------------|
| 2003-05 FUNDING (Change to Bill) | \$14,528,500 | \$21,157,700 | \$35,686,200 |
| 2004-05 POSITIONS (Change to Bill) | 0.19 | 0.25 | 0.44 |

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