

**FISCAL NOTE
PRIVATE COST**

- I. Department Title:** Title 19 - Department of Health and Senior Services
Division Title: Division 15 - Division of Senior and Disability Services
Chapter Title: Chapter 8 – Consumer-Directed Services

Rule Number and Title:	19 CSR 15-8.400 Vendors.
Type of Rulemaking:	Proposed

II. SUMMARY OF FISCAL IMPACT

	Estimate of the number of entities by class which would likely be affected by the adoption of the rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
1	1031	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$67,138.72 Annually
2	852	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$607,651.00 Annually
3	1031	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$7,217,000 Annually
4	213	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$426,000 Annually
5	213	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$213,000 Annually
6	1031	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$33,569.36 One-Time Cost
7	1031	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$746.50 Annually
8	1031	Home and Community Based Services (HCBS) – Consumer-Directed Services (CDS) Providers	\$303,825.50 Annually
	Total =		\$8,835,361.72 Annually; \$33,569.36 One-Time Cost

III. WORKSHEET

1. Certified Managers Training

1031 HCBS CDS providers x one (1) first-line supervisor per provider that will complete the certified managers training annually x \$16.28/hour supervisor wage x four (4) hours to complete training = \$67,138.72 annually

2. Face-To-Face Annual Monitoring Visits

One (1) first-line supervisor will complete annual face-to-face annual monitoring visits x \$16.28/hour supervisor wage x one (1) hour to complete visit with each participant x 37,325 unique participants of HCBS CDS providers = \$607,651.00 annually

3. Annual Financial Audit

1031 HCBS-CDS providers will complete annual financial audit x \$7,000/audit = \$7,217,000 annually

4. Payroll, Employment, and Other Taxes Garnishment Liability

\$2,000/garnishment x 213 reports of garnishment letters annually across all HCBS-CDS providers = \$426,000 annually

5. Penalty for Failure to Pay Payroll, Employment, and Other Taxes Timely

\$1,000/garnishment x 213 reports of garnishment letters annually across all HCBS-CDS providers = \$213,000 annually

6. Development of Pandemic Preparedness Policy

1031 HCBS CDS providers that will develop the pandemic preparedness plan x one (1) first-line supervisor per provider to develop plan x \$16.28/hour supervisor wage x two (2) hours to develop the pandemic preparedness plan = \$33,569.36 one-time cost

7. Printing/Supplies of Pandemic Preparedness Policy

One cent (\$0.01)/page printing and supply cost x two (2) page pandemic preparedness plan x 37,325 participants of HCBS CDS providers receiving a copy of the plan annually = \$746.50 annually

8. Consumer Training on Pandemic Preparedness Policy

37,325 participants of HCBS CDS providers x one (1) first-line supervisor per provider to conduct training x \$16.28/hour supervisor wage x 0.50 hours to conduct pandemic preparedness plan training annually = \$303,825.50 annually

IV. ASSUMPTIONS

Designated Manager Training

This proposed amendment requires Home and Community Based Services (HCBS) Consumer-Directed Services (CDS) providers to select a Designated Manager, as described in 19 CSR 15-8.400(1)(D), that is responsible for the HCBS-CDS providers' day-to-day operations. There are 1031 HCBS CDS providers that will be required to select a Designated Manager. The Designated Manager will complete the four (4) hour designated managers online/virtual training course annually. The Designated Managers training course will be developed and implemented by the Department of Social Services (DSS), Missouri Medicaid Audit and Compliance (MMAC). It is estimated that the designated manager will earn approximately \$16.28/hour and it will take approximately four (4) hours to complete the Designated Managers training course. The Department based its estimate for the wage earned by the designated managers on the mid-range wage for a provider supervisor outlined in the 2019 Mercer HCBS Rate Study.

The Department is estimating that approximately 1031 HCBS-CDS providers will be required to comply with the new requirement and select a designated manager and complete the Designated Managers training course. The Department's estimate only includes HCBS-CDS providers, as the annual manager training course requirement is currently required for HCBS Agency-Model providers.

Face to Face Annual Monitoring Visits

The proposed amendment requires annual face-to-face home visit monitoring as provided in 19 CSR 15-8.400(4)(F)(1). For purposes of this estimate the Department assumes the face-to-face visit may be completed by personnel already employed by the HCBS-CDS provider. It is estimated that HCBS-CDS provider personnel will earn approximately \$16.28/hour and it will take approximately one (1) hour to complete the annual face-to-face home visit monitoring. The Department based its estimate for the wage earned by the personnel on the mid-range wage for a provider supervisor outlined in the 2019 Mercer HCBS Rate Study. It is estimated that an additional 37,325 unique participants will require an annual face-to-face visit once this requirement is in place. The Department's estimate of 37,325 unique participants is based on participants with active CDS authorization. The Department estimates that 852 HCBS-CDS providers have active CDS participants and therefore will be required to complete the annual face-to-face home visit monitoring. The estimated amount of \$607,651.00 will be divided amongst the 852 enrolled HCBS-CDS providers, it is not the cost per HCBS-CDS provider.

Annual Financial Audit/Review

The proposed amendment requires each HCBS CDS provider to procure an annual financial audit as provided in 19 CSR 15-8.400(7)(K)1-2. This requirement is already in place for HCBS Agency-Model providers; therefore, if an annual financial audit is already completed for an entity that provides both Agency Model Services and Consumer Directed Model Services, only one audit would be required. For the purposes of this estimate, the Department assumes the cost of an annual financial audit/review to be approximately \$7,000.00, per provider. If a HCBS CDS provider already procures an

annual financial audit in their normal scope of business, that audit would meet the requirements of this amendment. The Department is estimating that a maximum of 1031 HCBS-CDS providers will be required to comply with the new requirement and procure a new financial audit.

Payroll, Employment, and Other Taxes Garnishment Liability

The proposed amendment requires that each HCBS CDS provider that fails to ensure all payroll, employment, and other taxes are paid timely are liable to the consumer of any garnishment actions that occur as a result as provided in 19 CSR 15-8.400(3)(C)(1). HCBS CDS providers are already required to ensure all payroll, employment, and other taxes are paid timely. For the purposes of this estimate, the Department assumes that garnishments range approximately \$500 to \$3,500 per occurrence. The Department is taking the average cost of a garnishment of \$2,000 to calculate the cost of the garnishment for the Department's estimate. The Department estimates that approximately 200 to 225 HCBS CDS providers will receive garnishment letters. Not all garnishment letters will result in the HCBS CDS provider being liable to the consumer for the garnishment. The Department is taking the average number of HCBS CDS providers to be 213 to calculate the number of HCBS CDS providers that will be liable to the consumer for the garnishment.

Penalty for Failure to Pay Payroll, Employment, and Other Taxes Timely

The proposed amendment requires each HCBS CDS provider that fails to ensure all payroll, employment, and other taxes are paid timely may be subject to a \$1000 penalty as provided in 19 CSR 15-8.400(3)(C)3. HCBS CDS providers are already required to ensure all payroll, employment, and other taxes are paid timely. The Department estimates that approximately 200 to 225 HCBS CDS providers will receive garnishment letters that may make the HCBS CDS provider subject to the \$1000 penalty. Not all garnishment letters will result in the HCBS CDS provider being subject to the \$1,000 penalty. The Department is taking the average number of HCBS CDS providers to be 213 to calculate the number of HCBS CDS providers that may be subject to the \$1,000 penalty.

Development of Pandemic Preparedness Policy

This proposed amendment requires each HCBS CDS provider to develop a pandemic preparedness policy to be followed when service delivery must be interrupted due to a pandemic as provided in 19 CSR 15-8.400(2). The Department created the "Ready in 3" brochure to be used for pandemic preparedness and the HCBS CDS providers are able to use this brochure as guidance in developing a pandemic preparedness policy and the brochure is available on the Department's website. It is estimated that the first-line supervisor will earn approximately \$16.28/hour and it will take approximately two (2) hours to develop the pandemic preparedness policy. The Department based its estimate for the wage earned by the first-line supervisor on the mid-range wage for a provider supervisor outlined in the 2019 Mercer HCBS Rate Study. The Department is estimating that 1031 HCBS CDS providers will be required to comply with the new requirement to develop a pandemic preparedness policy. The Department assumes the cost to the HCBS CDS provider to develop the pandemic preparedness policy will be a one-time cost.

Printing/Supplies of Pandemic Preparedness Policy

This proposed amendment requires HCBS CDS providers to distribute the pandemic preparedness policy to consumers annually as provided in 19 CSR 15-8.400(2). The Department estimates that pandemic preparedness policy will be at least two (2) pages and estimates that it will cost approximately one cent per page to print. The Department based its estimate for the number of pages on the “Ready in 3” brochure the Department created. The Department is estimating that the 1031 HCBS CDS providers will be required to distribute copies of the pandemic preparedness policy to 37,325 HCBS CDS consumers.

Consumer Training on Pandemic Preparedness Policy

This proposed amendment requires HCBS CDS providers to train consumers on the pandemic preparedness policy annually as provided in 19 CSR 15-8.400(2). It is estimated that the first-line supervisor will earn approximately \$16.28/hour. The Department based its estimate for the wage earned by the first-line supervisor on the mid-range wage for a provider supervisor outlined in the 2019 Mercer HCBS Rate Study. The Department estimates it will take approximately one-half hour to complete training on the pandemic preparedness policy with an individual HCBS CDS consumer and it is estimated that approximately 37,325 HCBS CDS consumers will require training on the pandemic preparedness policy. The Department is estimating that 1031 HCBS CDS providers will have to comply with this new requirement.