



Although this measure is effective on passage, DHS assumes that a CMS waiver will take approximately six months to obtain and provide for up to 200 clients. This makes the program's operative date January 1, 2008. CMS waiver approval is necessary in order for Oregon to obtain federal matching funds. In absence of a CMS-approved waiver, the cost of this measure would need to be funded exclusively with General Fund.

DHS estimates that the Medically Involved Home Care Program will experience an initial program enrollment of 30 clients on January 1, 2008 and then a gradual phase-in of six additional clients per month during the 2007-09 biennium and two clients per month for the 2009-11 biennium with enrollment reaching 182 clients by June 2011. In other words, client enrollment reaches the CMS waiver cap of 200 clients during the 2011-13 biennium.

Medically Involved Home Care Program clients will come from a mix of clients new to DHS and existing DHS clients transferred from other DHS programs within the Seniors and People with Disability Division. Additionally, DHS estimates that new and existing clients will qualify and become enrolled in the Oregon Health Plan as a result of this program.

DHS estimates the fiscal impact of this measure to be \$3.6 million total funds (2.59 FTE) for 18-months of the 2007-09 biennium and \$14.4 million total funds (7.25 FTE) for 24-months of the 2009-11 biennium. General Fund would comprise approximately 40% of expenditures, Federal Funds 60%, and a nominal amount of Other Funds. The per-client cost is estimated to be \$3,000 per month per client and is based on the current maximum Medically Involved rate.

The DHS fiscal impact is reduced or offset by approximately \$800,000 in General Fund savings arising from the transfer of Kids Long-Term Family Support clients to the Medically Involved Home Care Program. DHS notes that this General Fund would now be eligible for federal matching funds, assuming CMS waiver approval, and would therefore leverage an additional \$1.2 million in Federal Funding for this program.

DHS estimates that approximately 12 clients would require some home modifications at a cost of \$10,000 per home.

The fiscal impact of adding new Oregon Health Plan clients as a result of this measure is estimated to be \$574,886 total fund for the 2007-09 biennium and \$1.9 million for the 2009-11 biennium. General Fund would comprise approximately 40% of these expenditures, Federal Funds 60%, with a nominal amount of Other Funds.

DHS positions would, as with the program's client base, phase-in over the course of two biennia. For example, a Service Coordinator position would be added every six months to maintain a Service Coordinator to client ratio of 1:36. Other staff would also be added such as Referral Coordinator, program unit manager, and a half-time Office Specialist position. The positions would be supported with services and supplies, including department-wide administrative overhead charges. These costs would be eligible for a 50% Federal Funds match.

Approximately 90% of the DHS fiscal impact comprises special payments of fund to program clients.

DHS' primary budget bill (HB 5031) has been amended to include the fiscal impact of this measure.