

Testimony
Engrossed House Bill 1032 Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman

March 4, 2019

Senator Lee and members of the Senate Human Services Committee, I am Nancy Nikolas Maier, Director of the Aging Services Division with the Department of Human Services (Department). I am here in support of Engrossed House Bill 1032.

Engrossed House Bill 1032 requires the Department to annually adjust the sliding fee schedule for services received through the Service Payments to the Elderly and Disabled (SPED) program. The sliding fee schedule may be more appropriately called the client fee schedule because it is based on the client's family size and income and is used to determine the amount of income a recipient can have before they are asked to pay toward their SPED services. The amount a client must pay is commonly referred to as a client cost share. The provisions in Engrossed House Bill 1032 have no impact on the rates paid to providers of SPED services.

SPED is a state funded program which authorizes the Department to reimburse qualified service providers for the provision of covered home and community-based services to eligible aged and physically disabled individuals. The purpose of the program is to maintain people in their own homes and community.

In order to qualify for SPED an individual must meet both functional and financial eligibility criteria. SPED financial eligibility is determined by using the client fee schedule and having resources of \$50,000 or less. Resources are cash or similar assets that can be readily converted to cash and include residences owned by the applicant other than the applicant's primary residence. The client fee schedule has not been updated since 2009; which has had an impact on the number of people eligible for this service.

Engrossed House Bill 1032 contains a fiscal note which explains how the client fee schedule would be updated. The client fee schedule would initially be increased approximately 10%, and then updated annually based on social security inflation. The estimated cost during the 2019-2021 biennium is \$624,051 of which all are general funds. The fiscal note aligns with the Executive Budget Request and Engrossed Senate Bill 2012.

Chart 1: describes the current fee schedule and the proposed fee schedule.

SPED SLIDING FEE SCHEDULE

Current Fee Schedule

- Income and Asset Based Sliding Fee Scale
 - Two scales based on assets above or below \$25,000
 - Schedule 1 \$0-24,999
 - If a consumer lives alone and has more than \$1038 in countable income, they will have a client cost share
 - Schedule 2 \$25,000-\$50,000
 - If a consumer lives alone and has more than \$855 in countable income, they will have a client cost share

Proposed Fee Schedule

- Income and Asset Based Sliding Fee Scale Rebased and Annual Cost of Living Adjustment (COLA)
 - Two scales based on assets above or below \$25,000
 - Schedule 1 \$0-24,999
 - If a consumer lives alone and has more than \$1132 in countable income, they will have a client cost share
 - Schedule 2 \$25,000-\$50,000
 - If a consumer lives alone and has more than \$949 in countable income, they will have a client cost share

This concludes my testimony. I am happy to answer any questions.