

AGENCY ANALYSIS OF ECONOMIC AND BUDGETARY
EFFECTS OF PROPOSED RULEMAKING

Agency: Department on Aging

Part/Title: 89 Ill. Adm. Code 240.120, 240.160, 240.235, 240.1399, 240.1505, 240.1541, 240.1542, 240.1650, 240.1955, Community Care Program

Illinois Register Citation: April 24, 2009, 33 Ill. Reg. 5948

Fiscal Note:

Please attempt to provide as dollar-specific responses as possible and feel free to add any relevant narrative explanation.

1. Anticipated effect on State expenditures and revenues.

(a) Current cost to the Agency for this program/activity.

The cost for emergency home response services under the Community Care Program is estimated at \$8.4 million for 2010.

(b) If this rulemaking will result in an increase or decrease in cost, specify the fiscal year in which this change will first occur and the dollar amount of the effect.

Not applicable. The Department currently provides emergency home response services as a demonstration project under the Community Care Program. This rulemaking simply terminates the demonstration project and adds emergency home response as a core service to the program in accordance with Public Act 95-565, effective June 1, 2008. The cost for this service has already been incorporated into the appropriation line for the Community Care Program in the Department's budget.

(c) Indicate the funding source, including Fund and appropriation lines, for this program/activity.

General Revenue Fund – appropriation line: 001-40201-1900-99-00 (all services under the Community Care Program)

- (d) If an increase or decrease in the costs of another State agency is anticipated, specify the fiscal year in which this change will first occur and the estimated dollar amount of the effect.

Not applicable.

- (e) Will this rulemaking have any effect on State revenues or expenditures not already indicated above? Specify effects and amounts.

The addition of this service to the core set of services available under the Community Care Program will enable more frail older adults to live independently longer outside of nursing homes. Some individuals using emergency home response services will no longer need as many units of other types of program services in their Care Plans. It will reduce overall costs to the State for long term care over time. The potential savings cannot be calculated given the variety of factors that lead to nursing home utilization and Medicaid liability for such care.

2. Economic effect on persons affected by the rulemaking.

- (a) Indicate the economic effect and specify the persons affected:

Positive X Negative _____ No effect _____

Persons affected Older adults seeking services, family caregivers, and providers of emergency home response services covered under the Community Care Program

Frail older adults will have the increased safety and security of summoning emergency assistance immediately in case of a fall or other incapacitation and family caregivers will be able to work outside the home with added peace of mind while keeping their loved ones at home for a fraction of the cost of nursing home care.

Dollar amount per person None. There is no copayment for this service.

Total Statewide cost The cost for emergency home response services under the Community Care Program is estimated at \$8.4 million for 2010.

- (b) If an economic effect is predicted, please briefly describe how the effect will occur. (Example: Additional continuing education courses will require an

expenditure of approximately \$100 per year for course fees by 10,000 licensed professionals.)

Providers are paid a one-time \$30.00 installation fee and a \$28.00 unit fee for the associated monthly monitoring service from funds appropriated for the Community Care Program.

- (c) Will the rulemaking have an indirect effect that may result in increased administrative costs? Will there be any change in requirements such as filing, documentation, reporting or completion of forms. Compare to current requirements.

No. Service providers already bill the state through the electronic Community Care Program Information System. There will be no measurable increased costs to process the increased volume of invoices for this service. The Department will need to make updates to incorporate information about this service as a part of the procurement section on its website which can be accomplished without additional costs.