

Date: June 9, 2022
To: Rhiannon Ripley
 Office of Senator Anthony Portantino
From: Sonja Petek
Subject: Fiscal Estimate: SB 870

This memo responds to your request to develop an independent fiscal estimate for Senator Portantino’s SB 870 (as introduced on January 24, 2022). Senate Bill 870 would increase the age of disability onset when determining eligibility in the Department of Developmental Services (DDS) system. Current law requires the onset of a qualifying disability to have occurred prior to the age of 18. Senate Bill 870 would require the onset to have occurred prior to the age of 22. This memo refines and finalizes an initial memo provided to your office on May 14, 2022.

Summary of Cost Estimate

We estimate costs of **about \$15 million to \$60 million General Fund annually** for SB 870, as shown in Figure 1. (Our initial memo roughly estimated \$30 million to \$60 million General Fund annually.)

Figure 1

Estimated General Fund^a Costs Associated With SB 870 in 2022-23

	Number of Individuals	Per-Person General Fund Cost	Total General Fund Cost
Low end	1,000	\$15,000	\$15 million
High end	2,000	\$30,000	\$60 million

^a General Fund cost amounts assume that federal Medicaid funds will pay for 40 percent of the total costs of services provided to the newly eligible population, based on the typical state-federal split in the Department of Developmental Services. While we think that this assumption is reasonable, it is subject to some uncertainty.

The range reflects three main areas of uncertainty: (1) the number of individuals who would be potentially eligible for services. (2) the share of potentially eligible individuals who would seek and qualify for services, and (3) the per-person cost of services. In the sections that follow, we discuss these areas of uncertainty in greater detail, including the assumptions about each that we built into our estimates.

Number of Potentially Eligible Individuals

Our cost estimate assumes there would be individuals who are eligible retroactively and eligible currently. It also assumes that individuals with brain injuries would comprise nearly all of the new DDS cases.

Annual Cost Estimate Accounts for Retroactive and Current Caseload Impacts. Our estimate builds in costs for services and regional center (RC) service coordination associated with two groups:

- ***Retroactive Caseload:*** Adults already over the age of 21 who now would be eligible due to SB 870 because the onset of their qualifying disability began between the ages of 18 through 21. We assume that this could include individuals whose onset of disability began as early as 1965, making them 75 to 78 today. (We discuss the basis for this assumption later in this memo.)
- ***Current Caseload:*** Adults currently ages 18 through 21 who are eligible due to SB 870. In each subsequent year, there would be additional new caseload within that age group.

We expect the first group would be much larger in number in the initial years, and consequently would make up most of the cost. These costs eventually would decline as this finite group of retroactively eligible individuals age and reach the end of life. Meanwhile, the costs associated with the second group would grow each year as new cases entered the system. Our cost range does not attempt to estimate how these numbers would shift and change on a prospective basis. Rather, our estimate is based on the initial, annualized cost of services for retroactive and new cases.

Brain Injuries Would Be the Primary Driver Leading to a Qualifying Disability. Most individuals whose developmental disability begins between the ages of 18 through 21 have an acquired brain injury, that is, a non-congenital brain injury that can be either traumatic (TBI) or nontraumatic (such as stroke or infectious disease-related). A brain injury alone does not make an individual eligible for DDS services, however. Rather, they must have one of five qualifying developmental disabilities: autism, cerebral palsy, epilepsy, intellectual disability, or another condition similar to intellectual disability or requiring similar services (often called the “fifth category” of eligibility). The disability must be substantial and expected to continue indefinitely. A brain injury sometimes will lead to an individual having a qualifying disability, such as intellectual disability, fifth category disability, or epilepsy. Currently, if this occurs at age 18 or later, the individual is not eligible for DDS services.

California Department of Public Health (CDPH) Collects TBI Data. CDPH collects data on individuals who suffered a nonfatal TBI and visited an emergency department or were admitted to a hospital. These data are available for the years 1991 through 2015. To estimate possible newly eligible individuals, we focused on individuals who were admitted to the hospital and whose TBI was the principal diagnosis under the assumption that these would be the more serious cases of TBI, which in turn might lead to DDS eligibility.

Nontraumatic Brain Injury Data Less Accessible. Unlike with TBI, we do not have a single source of information about the possible cases of nontraumatic brain injury that could lead to eligibility in the DDS system. We discuss our approach for working around this limitation in the next section on the share of potentially eligible individuals seeking and qualifying for DDS services.

Reasons for Uncertainty and Data Limitations. The following areas of uncertainty could affect the accuracy of our assumptions about the universe of potentially eligible individuals under SB 870:

- CDPH data are available for a limited number of years (1991 through 2015). We assumed that annual hospital admissions for TBI among individuals ages 18 through 21 for the years 1965 through 1990 and for 2016 through 2022 were roughly similar to annual admissions from 1991 through 2015. However, this assumption is uncertain.
- The upper age of individuals who might be eligible is uncertain. We assume that no one whose disability onset occurred prior to 1965 would be eligible. We discuss the reason for this assumption in the next section about the share of potentially eligible individuals who might seek and qualify for DDS services.
- The universe of potentially eligible individuals with nontraumatic brain injury is difficult to know.

Share of Potentially Eligible Individuals Seeking and Qualifying for DDS Services

Our estimate uses information about individuals currently receiving services in the DDS system and CDPH TBI data to make assumptions about the share of potentially eligible individuals that will seek and qualify for DDS services.

Share of TBI Population Receiving DDS Services. Each year, a certain number of children under the age of 18 experience a TBI or nontraumatic brain injury. Some of those children end up with a disability (prior to turning 18) that makes them eligible to receive DDS services. DDS provided systemwide data on the number of consumers currently in the system who appear to have a brain-related issue, the year they entered the system, whether they have RC purchase-of-service expenditures, and the aggregated cost of those expenditures. In addition, several RCs provided data in 2018 specific to their RC about consumers with a brain injury. We used that information, along with CDPH data about TBI hospital admissions among children under 18, to make assumptions about the share of individuals who experienced a TBI before age 18 and sought and qualified for DDS services. Using this assumption, we extrapolate to individuals who experienced TBI between the ages of 18 through 21.

DDS Data and Certain RC Data Incorporate Both TBI and Nontraumatic Brain Injury. The data from DDS and one of the RCs include any brain injury (not just TBI). We compare data from that RC to data from three other RCs (which was specific to TBI), and use DDS data about the current share of all DDS consumers with any brain-related condition, to make assumptions about the additional number of individuals who might enter the DDS system with nontraumatic brain injuries.

Reasons for Uncertainty and Data Limitations. Several areas of uncertainty emerge in our assumptions about the share of potentially eligible individuals seeking and qualifying for DDS services, in part due to data limitations.

- DDS data likely are not comprehensive. All RCs collect information about a consumer's qualifying disability—that is, autism, cerebral palsy, epilepsy, intellectual disability, or fifth category disability. They are not required, however, to collect information about what may have caused the qualifying disability, such as TBI. While many RCs do collect this information, they might not collect it consistently. In addition, DDS might not have access to all of the information collected by each RC.
- The share of individuals who experienced a TBI between the ages of 18 through 21 and who seek and qualify for DDS services could differ from the share of minor children who experienced a TBI and receive DDS services. We assume no difference.
- Our fiscal estimate assumes that demand for DDS services would be similar among newly eligible adults at every age. For example, it assumes the same rate of eligibility among individuals currently in their 30s as it does among individuals currently in their 60s. Assuming some amount of declining demand with increasing age might be reasonable because older individuals likely have sought services elsewhere. We attempt to account for this by cutting off the universe of potentially eligible individuals at ages 75-78—those whose disability onset occurred no earlier than 1965.
- Without much specific data on nontraumatic brain injury, our approach could underestimate the number of eligible individuals with nontraumatic brain injury who would seek and qualify for DDS services.

Per-Person Cost

Our fiscal estimate is based on the median and average per-person cost to serve adults ages 22 and older currently in the DDS system who have a brain injury (the low end of our range uses the median cost, while the high end uses the average cost). These adults had a qualifying disability prior to the age of 18.

Reasons for Uncertainty and Data Limitations. The following issues create some uncertainty about the per-person cost of services for newly eligible individuals:

- Whether the median or average cost for newly eligible consumers would closely reflect the median and average cost for current consumers who experienced brain injury is uncertain.
- We assume the General Fund would account for 60 percent of the total cost and federal Medicaid reimbursements would account for the remaining 40 percent. This assumption is based on the typical state-federal split. While this seems reasonable, whether the newly eligible individuals are eligible for Medi-Cal at the same rate as DDS consumers generally (and thus draw down federal Medicaid funds for their services) is unknown.

- We assume per-person RC service coordination costs of \$1,800 General Fund annually. This could differ if a large number of the newly eligible individuals required more intensive service coordination.

Other Considerations

Senate Bill 870 could create other fiscal or program effects, which we will not attempt to estimate or quantify. These include:

New Caseload Could Create Other DDS Costs. DDS could incur costs (above the regular cost of services factored into the estimate above) to create new programs for individuals who have suffered TBI. For example, this could occur if existing programs are not well-suited to serving young adults who only recently became disabled. The extent to which there would be demand for new programs is uncertain, however.

New Access to DDS Services Could Lead to Increased Costs, Likely Small, in the Medi-Cal Program. We suspect that a good number of the individuals who would be newly eligible for DDS services already are enrolled in the Medi-Cal program for their health care coverage. For example, an adult who has a developmental disability due to a TBI might be income-eligible for Medi-Cal because they cannot work (or they can work, but earn below the Medi-Cal income threshold). However, to the extent that entry into the DDS system led some individuals to newly enroll in Medi-Cal, this would increase costs in the Medi-Cal health program. We expect these costs would be minor.

New Caseload Could Have Other Program Effects. The Department of Rehabilitation (DOR) administers and supports a TBI program, which provides post-acute, integrative care and support to a limited number of individuals each year. If some individuals sought out DDS services rather than DOR services after the passage of SB 870, this could allow other individuals to receive DOR services.