

FISCAL NOTE

Bill #: SB0332

Title: Revise laws governing resource tests for public assistance programs

Primary

Sponsor: Mignon Waterman

Status: As amended in Senate Finance

Sponsor Signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	FY2002	FY2003
Expenditures:	<u>Difference</u>	<u>Difference</u>
General Fund	\$327,780	\$570,516
Federal Special Revenue	880,848	1,544,072
Total	\$1,208,628	\$2,114,588
Revenues:		
Federal Special Revenue	\$880,848	\$1,544,072
Net Impact on General Fund Balance:	(\$327,780)	(\$570,516)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. An estimated additional 126 pregnant women, 1,229 children from birth to five years old, and 2007 children between six and 18 would be eligible based on elimination of the resource test.
2. Not applying the resource test to these categories would result in a savings of 15 minutes per application for the current caseload. This freed-up caseworker time will be utilized to handle the additional caseload.
3. Children who are on the Children's Health Insurance Plan (CHIP) would crossover to the Medicaid eligible roles when their application was due. This would equate to 50% in FY 2002. It is estimated that 80% of the children would enroll in Medicaid.

4. Medicaid benefit costs would increase by \$2,080.41 for each of the 126 additional pregnant woman cases, for a total of \$262,132 each year.
5. Medicaid benefit costs for the 1,229 additional cases for children from birth to five years of age would be \$660.11 per case, for a total of \$324,774 ($1,229 \times 50\% \times 80\% = 492$ children \times 660.11) in FY 2002 and \$648,888 ($1,229 \times 80\% = 983$ children \times 660.11) in FY 2003.
6. Medicaid benefit costs for the 2,007 additional cases for children between six and 18 would be \$724.59 per case for a total of \$581,846 ($2,007 \times 50\% \times 80\% = 803$ children \times \$724.59) in FY 2002, and \$1,163,692 ($2,007 \times 50\% \times 80\% = 1,606$ children \times \$724.59) in FY 2003.
7. Medicaid mental health services are assumed to be provided to approximately 16.4% of the Medicaid-eligible population. Of the 126 new Medicaid-eligible individuals, 21 will require mental health services. The average cost of providing mental health services to the Medicaid individuals requiring services is \$1,868.90 per person for a total cost of \$39,877.
8. Funding is based on the Federal Medical Assistance Participation (FMAP) rate of 27.12% general and 72.88% federal funds for FY 2002 and 26.98% general fund and 73.02% federal funds for FY 2003. Total cost is $(\$262,132 + \$324,744 + \$581,846 + \$39,877) \times 27.12\% = \$327,780$ general fund in FY 2002 and $(\$262,132 + \$324,774 + \$581,846 + \$39,877) \times 72.88\% = \$880,848$ federal funds for FY 2002; $(\$262,132 + \$648,888 + \$1,163,692 + \$39,877) \times 26.98\% = \$570,516$ general fund in FY 2003 and $(\$262,132 + \$648,888 + \$1,163,692 + \$39,877) \times 73.02\% = \$1,544,072$ federal fund in FY 2003.
9. For purposes of this fiscal note, the executive did not calculate an increase in the average cost of covering these categories due to health care inflation. However, as costs increase, the benefits and eligibility will need to be adjusted, as allowed under federal law, or additional funding, such as general fund, will be needed to maintain the program.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$1,208,628	\$2,114,588
<u>Funding:</u>		
General Fund (01)	\$327,780	\$570,516
Federal Special Revenue (03)	<u>880,848</u>	<u>1,544,072</u>
TOTAL	\$1,208,628	\$2,114,588
<u>Revenue:</u>		
Federal Special Revenue (03)	\$880,848	\$1,544,072
<u>Net Impact to Fund Balance (Revenue minus Expenditures):</u>		
General Fund (01)	(\$327,780)	(\$570,516)
Federal Special (03)	0	0