

FISCAL NOTE

Requested by Legislative Council
02/22/2001

Bill/Resolution No.:

Amendment to: Engrossed
HB 1441

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$1,198,064		\$1,339,577
Expenditures			\$1,701,348	\$1,198,064	\$1,465,912	\$1,339,577
Appropriations			\$1,701,348	\$1,198,064	\$1,465,912	\$1,339,577

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$467,544			\$544,248		

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would eliminate the asset test for children and family coverage groups and pregnant women. It is estimated that elimination of the asset test will cause an additional 1,669 individuals (1,487 children and 182 individuals over 18) to be eligible for the Medicaid program, of which 960 are estimated to be enrolled in the Healthy Steps program.

The bill would require the counties to determine eligibility for the Healthy Steps program. Based upon NDCC 50-29-02.6, the Department is required to reimburse the counties for their cost of administering the program. The counties have estimated that they would require 8% of the premium payment made to Noridian for determining eligibility. This translates to \$10.12 per child per month, or \$467,544 for the 2001-2003 biennium. It is believed that the counties would utilize existing staff to perform this function and therefore additional costs would be minimal.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenues would be effected by increased Federal matching funds, and decreased retained funds. Due to the elimination of the asset test for family coverage groups and pregnant women, it is anticipated that the amount of revenue retained by the Department because of the SWAP legislation would decrease. Without an in-depth study, it is anticipated that the fiscal impact on retained dollars will be relatively close to the estimated cost for the counties

to determine Healthy Steps eligibility. The anticipated loss in SWAP funding is \$233,772, which will need to be supplanted with general funds.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It is estimated that an additional 1,669 individuals will be enrolled in the Medicaid program with the elimination of the asset test for children and family coverage groups and pregnant women in Medicaid. With the elimination of the asset test, it is estimated that 960 children currently enrolled in the Healthy Steps program will be covered by the Medicaid program. The estimated costs to the Medicaid program are \$4,328,310, of which \$1,304,120 are general funds. The estimated savings to the Healthy Steps program are \$2,915,020, of which \$614,486 are general funds.

The additional cost of including adult care takers and children age 19-20 in the medicaid program is estimated to be \$523,904, with \$157,224 being general funds.

The counties would be reimbursed an estimated \$467,544, of which \$98,558 is general funds for determining Healthy Steps eligibility. Programming costs related to integrating Healthy Steps eligibility into the Vision system is estimated to be \$415,000, of which \$124,541 are general funds. Additionally, administrative costs of the Healthy Steps program are limited to 10% of the direct program costs, program costs beyond this percentage are required to be paid by other sources. It is estimated that \$373,710 of program expenditures would exceed the 10% cap, and would need to be paid with general funds.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The elimination of the asset test for children and family coverage groups and pregnant women, and the costs associated with the counties determining eligibility, would result in a need to increase appropriations by \$2,899,412, of which \$1,701,348 are general funds.

Name: Brenda M. Weisz
Phone Number: 328-2397

Agency: Department of Human Services
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Prepared: