

FISCAL NOTE

Requested by Legislative Council

04/17/2001

Bill/Resolution No.:

Amendment to: Reengrossed
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				\$1,015,333		
Expenditures			\$419,639	\$1,015,333		
Appropriations			\$419,639	\$1,015,333		

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

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 families coverage groups and pregnant women under the medicaid program to become effective no earlier than January 1, 2002 and to sunset June 30, 2003. This change would result in an additional 1,669 individuals (1,487 children and 182 adults) being served under the medicaid program and 960 fewer children being served under the children's health insurance program. This bill is estimated to result in a net increase in 709 individuals (both children and adults) being eligible for benefits under department programs.

The bill also requires the Department of Human Services to amend the state plan for Title XXI to seek enhanced funding at the higher federal reimbursement rate for those children becoming eligible due to the elimination of the asset test. In addition, the Department is authorized to accept gifts, grants, or donations for the children's health insurance program for the purpose of providing matching funds to access the federal dollars available to the program.

Additionally, the bill calls for the legislative council to consider studying the following: 1) the coordination of the medicaid and children's health insurance programs to include the development of a single application form; 2) the determination as to state or county administration of the program; 3) the standardization of the "income" definition; and 4) the desirability and feasibility of seeking a federal waiver for allowing for insurance coverage for a family through an employer based insurance policy if more cost effective than the traditional plan coverage for the children.

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.*

Revenue would be received from the federal government - Title XIX (medicaid) and Title XXI (children's health insurance program.)

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.*

Expenditures reflect the following costs:

Increased benefits at the enhanced funding ratio for those children becoming eligible for medicaid due to the elimination of the asset test - \$2,376,115.

Additional children estimated to become medicaid eligible - \$828,194.

The adults who would become eligible due to the elimination of the asset test - \$392,928

Changes needed to computer system to process the applications with the change in asset requirements - \$24,000

Offset by the decrease in the children's health insurance program due to becoming eligible under Medicaid - (\$2,186,265)

Total costs - \$1,434,972 of which \$419,639 are general fund expenditures.

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 expenditures reflected above **have not been included** in the Department's budget request and thus the amounts included in the "appropriation" section would need to be added to the Department's appropriation to cover the changes made by the bill - \$1,434,972 in total - \$419,639 in general funds.

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Agency: Department of Human Services
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Prepared: