

FISCAL NOTE
Requested by Legislative Council
12/29/2014

Bill/Resolution No.: SB 2050

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(1,060,938)		\$(1,176,336)
Expenditures			\$1,060,938	\$(1,060,938)	\$1,176,336	\$(1,176,336)
Appropriations			\$1,060,938	\$(1,060,938)	\$1,176,336	\$(1,176,336)

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$26,658	\$0
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB2050 would preclude the department from requiring an individual to apply for Medicaid before being eligible for services under the Service Payments for the Elderly and Disabled (SPED) program.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 precludes the Department from requiring an individual to apply for Medicaid before being eligible for services under the SPED program. The Department estimates there are 65 individuals that are receiving personal care through Medicaid and are below the SPED cap. If these individuals were allowed to receive personal care services through the SPED program, it is estimated that general fund expenditures would increase by \$1,060,938 and other funds would decrease (\$1,060,938) of which (\$1,087,596) would be a Federal fund decrease combined with a \$26,658 County fund increase for the 15-17 biennium. There would be a \$1,176,336 General Fund increase and a \$(1,176,336) decrease in Federal funds for the 17-19 biennium. The additional general fund and county fund need is the result of losing the Federal Medicaid Match. It should be noted the estimate only includes current recipients and does not account for growth of individuals who would now accept the services of SPED but who previously may have chosen not to receive services in order to avoid the recipient liability or the estate recovery procedures allowed under Medicaid.

The above fiscal impact was calculated assuming the State will take responsibility for the County's share of SPED effective January 1, 2016. If the Counties continue to be responsible for 5% of the SPED program the County share would increase to \$108,756 for the 15-17 biennium and \$117,634 for the 17-19 biennium.

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.*

The loss of revenue is the result of precluding the department from requiring individuals to apply for Medicaid before receiving services through the SPED Program. This removes the ability to maximize the use of Federal funds before using General Fund dollars and it is estimated that the department will receive (\$1,087,596) less Federal funds and

\$26,658 more County funds for a net decrease of (\$1,060,938) in the 15-17 biennium and (\$1,176,336) less Federal funds in the 17-19 biennium.

- 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.*

Section 1 would allow individuals to receive services from SPED without first having to apply for Medicaid, which provides for a federal match. Thus increasing General Fund expenditures by \$1,060,938 and decreasing other funds by (\$1,060,938) of which (\$1,087,596) would be a Federal fund decrease combined with a \$26,658 County fund increase for the 15-17 biennium. A \$1,176,336 General Fund increase and a (\$1,176,336) decrease in Federal Funds for the 17-19 biennium are expected.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The Department of Human Services will need a Federal funding switch of \$1,087,596 of which \$1,060,938 would be General Fund and \$26,244 would be County funds for the 15-17 biennium and a Federal funding switch of \$1,176,336 of which all would be General Fund for the 17-19 biennium.

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