

FISCAL NOTE
HOUSE BILL NO. 1396
LC# 23.0367.02000
02/09/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,172,790	\$9,476,319	\$23,938,509	\$26,950,522
Appropriations			\$8,172,790	\$9,476,319	\$23,938,509	\$26,950,522

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Engrosses HB 1396 relates to presumptive eligibility for a child under 19 years old and pregnant women.

4 - Fiscal Impact Sections Detail

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.

Sections 1 of Engrossed HB 1396 requires the Department to adopt rules establishing a presumptive eligibility process for a child under nineteen years of age individuals applying for benefits. Sections 2 of Engrossed HB 1396 requires the Department to adopt rules establishing a presumptive eligibility process for individuals applying for medical assistance for pregnant women.

The Department would establish a presumptive eligibility process for the individuals mentioned above starting July

1, 2024. The Department estimates that roughly 6,400 children (2,000 children starting July 1, 2024, and increasing by 400 per month) will be impacted by the end of June 30, 2025. The overall impact of the children for the 2023-2025 biennium is \$15,303,960. The Department estimates that approximately 400 pregnant women (50 women starting July 1, 2024, and increasing by 32 per month) will be impacted by the end of June 30, 2025. The overall impact of the pregnant women for the 2023-2025 biennium is \$1,004,841.

To be able to fully handle the additional workload capacity related to the presumptive eligibility process, the Department is requesting three additional FTEs. The FTEs would begin on July 1, 2023. These FTEs would be responsible for policy development, program monitoring, enrolling and training qualified entities. The estimated impact related to the three additional FTEs is \$690,307, of which, \$670,807 is for salaries and wages and \$19,500 is for operating expenses such as computer equipment and technology fees.

The Department would incur costs in the operating expense line of \$650,000 for IT system enhancements related to the presumptive eligibility increase.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Sections 1 of Engrossed HB 1396 requires the Department to adopt rules establishing a presumptive eligibility process for a child under nineteen years of age individuals applying for benefits. Sections 2 of Engrossed HB 1396 requires the Department to adopt rules establishing a presumptive eligibility process for individuals applying for medical assistance for pregnant women.

The Department is requesting three additional FTEs to be able to properly manage the additional workload that would be created from Sections 1 and 2 Engrossed HB 1396. The Department would incur costs in the salaries and wages line of \$670,807, of which \$335,404 is General Fund. Related to these three additional FTEs, the Department would incur cost in the operating expense line of \$19,500, of which, \$9,750 is General Fund.

The Department would begin enrolling applicants on July 1, 2024. It is estimated that Engrossed HB 1396 will impact 6,400 children and 400 pregnant women clients by the end of June 30, 2025. The Department would incur costs in the grants - medical assistance line of \$16,308,801, of which, \$7,665,136 is General Fund. The Department would incur costs in the operating expense line of \$650,000, of which, \$162,500 is General Fund for IT system enhancements related to the presumptive eligibility increase.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

For the 2023-2025 biennium the Department of Health and Human Services would need appropriation increases to the base level budget in SB 2012 in the following line items; increase in the salary and wages line of \$670,807, of which, \$335,404 is General Fund, increase in operating expenses line of \$669,500, of which, \$172,250 is General Fund, and increase in the grants - medical assistance line of \$16,308,801, of which, \$7,665,136 is General Fund.

For the 2025-2027 biennium the Department of Health and Human Services would need appropriation authority in the following line items; increase in the salary and wages line of \$670,807, of which, \$335,404 is General Fund, increase in operating expenses line of \$18,000, of which, \$9,000 is General Fund, and increase in the grants - medical assistance line of \$50,200,224, of which, \$23,594,105 is General Fund.

Contact Information

Name: Rhonda Obrugewitch

Agency: Health & Human Services

Telephone: 7013284585

Date Prepared: 02/09/2023