

FISCAL NOTE

(Return in triplicate)

Bill/Resolution No.: SB 2038 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 12-21-92

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

**Narrative:** Potential need exceeds the \$11 million in General funds appropriation contained in this bill. Therefore, assuming the funds were used as part of the Medicaid program, DHS would need an increase in spending authority of \$42.7 million. There is no appropriation included for the donations estimated at \$73,200 nor do we project charging an enrollment fee, since all participants would be Medicaid eligible. The Health Department has not provided a fiscal impact for implementing section 9 of the bill. (See attached)

2. State fiscal effect in dollar amounts:

	<u>1991-93</u> <u>Biennium</u>		<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:				\$73,200		\$73,200
Expenditures:	-0-	-0-	\$11,000,000	\$31,677,067	\$11,000,000	\$31,169,571

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1991-93 biennium: -0-
- b. For the 1993-95 biennium: \$42,603,867
- c. For the 1995-97 biennium: \$42,096,371

4. County and City fiscal effect in dollar amounts:

	<u>1991-93</u> <u>Biennium</u>		<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>	
	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Date Prepared: 1/18/93

Signed Mike Schwindt

Typed Name Mike Schwindt

Department Human Services

Phone Number 224-2330

## Assumptions Used in Computing Fiscal Impact of SB 2038

- 1) Due to the limitation on state funds accessed under this bill, all participants will come under the Medicaid program provided that the department's state plan is amended so that the poverty level eligibility limits are raised for these coverage groups.
- 2) No enrollment fee or sliding fee schedule was applied as all recipients would be covered by the Medicaid program.
- 3) It was estimated that 70% of the persons eligible would apply for the program. The 70% factor was the estimate South Dakota used for their program. Of the persons who would apply for the program, an estimated 8% would be denied for various reasons such as assets, etc. The 8% factor was derived from the Medicaid computer files comparing approvals and denials for pregnant women and children. It was therefore estimated that 65% of the persons eligible would be approved for the program and of these 83% would receive medical assistance.
- 4) The basis for cost per eligible person was the Medicaid program expenditure.
- 5) Optional contributions to the state health services fund was related to annual donation by North Dakotans to the non-game wildlife and tree fund which was \$36,600 in 1991. The amount of 36,600 was used on each of the years in the bienniums.
- 6) Used for annual increase in medical costs WHARTON'S COST OF LIVING INDEX available to us in August 1992 for medical care of 6.47% for remainder of 1991-93 biennium, 6.34% for first year of 1993-95 biennium, and 6.54% for second year of biennium.
- 7) Federal financial participation percentage used in this estimate were the most recent available to date of 72.21% actual for August 1993 and September 1993; 71.13% actual for October 1993 through September 1994; and 69.93% (estimate) for October 1994 through July 1995.
- 8) State and County Administration - Based on state and county Medicaid expenditures for the quarter ending June 1992, the total Medicaid administrative expenditure was equal to about 5% of the non-administrative expenditures. This percentage was applied to the estimated grant expenditure total for estimating the administrative expenditure. Also, Medicaid administrative expenditures for state fiscal years 1990 and 1991 were used as the base for distributing the administrative expenditures between state and county costs. This distribution was 64.9% state and 35.1% county. State and county administrative expenditures are shared 50%/50% with the federal government.

**SENATE BILL 2038**  
**Pregnant Women and Children Health Care**

**1993–95 Biennium Impact**

Increased medical poverty level groups for pregnant women and children to 163% poverty level with a \$11,000,000 general fund appropriation.

**Fiscal Impact – Expenditures**

	Total	Federal	General	County
Grants	\$40,644,826	\$28,744,021	\$10,340,539	\$1,560,266
Administration (state & county share)	\$2,032,241	1,016,122	659,461	356,658
<b>TOTAL</b>	<b>\$42,677,067</b>	<b>\$29,760,143</b>	<b>\$11,000,000</b>	<b>\$1,916,924</b>

**Fiscal Impact – Revenue**

	Total	Special
State health service fund – uses – Contributions	\$73,200	\$73,200

**Impact by Poverty Level (PL) Groups**

Poverty Level Groups	Percent of PL		Increase in Persons and Total Medicaid Expenditures	
	Current Medicaid Program	SB 2038 Medicaid Program	Persons	Expenditures
	1) Pregnant Women	133%	163%	1,725
2) Children Under Age 6	133%	163%	5,739	\$15,167,145
3) Children born on or after 9/30/83 and greater than age 6	100%	163%	8,898	\$6,199,160
4) Other children under age 18	48%	163%	16,160	\$15,006,223
<b>TOTAL</b>			<b>32,522</b>	<b>\$40,644,826</b>

**1995–97 Biennium Impact**  
**Fiscal Impact – Expenditures –**  
**Used 69.93% FFP for Grants and 50% for Administration**

	Total	Federal	General	County	State Health Service Fund *
<b>TOTAL</b>	<b>\$42,169,571</b>	<b>\$29,084,157</b>	<b>\$11,000,000</b>	<b>\$1,939,014</b>	<b>\$146,400</b>

**Fiscal Impact – Revenue**

	Total	Special
State health service fund – uses – Contributions	\$73,200	\$73,200

\* Represents 93–95 and 95–97 Biennium contributions to be expended in 95–97 biennium.