

FISCAL NOTE
SENATE BILL NO. 2283
LC# 23.0973.03000
04/03/2023

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	\$500,000		\$9,791,901	\$3,950,814	\$5,698,569	\$2,699,232
Appropriations	\$500,000		\$8,691,901	\$3,950,814	\$5,698,569	\$2,699,232

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).

Engrossed SB2283 requires the Department to determine basic care payment limits every four years, increase basic care rates by two percent for rate years July 1, 2023 and July 1, 2024, and increase the daily rate five dollars per day beginning July 1, 2023 and ending June 30, 2025.

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.

Section 1 of Engrosses SB2283 requires the Department to increase basic care rates by two percent for rate year July 1, 2023 followed by a two percent increase for rate year July 1, 2024. Additionally, the basic care rates are increased five dollars per day beginning July 1, 2023 and ending June 30, 2025.

Personal Care: For rate year July 1, 2023, the Department increased the base daily rate using the following methodology; daily rate increased based on new payment limits (rebasing), increased the rate two percent per Section 1 and finally increased the rate \$5.00 per day per Section 1. For rate year July 1, 2024, the beginning daily rate is the ending rate from June 30, 2024 (which includes the rebased amount and \$5.00 per day rate increase). The Department increased the daily rate two percent per Section 1. The estimated impact for Personal Care is \$7,454,366.

Room and Board: For rate year July 1, 2023, the Department increased the base daily rate using the following methodology; daily rate increased based on new payment limits (rebasing), increased the rate two percent per Section 1 and finally increased the rate \$5.00 per day per Section 1. For rate year July 1, 2024, the beginning daily rate is the ending rate from June 30, 2024 (which includes the rebased amount and \$5.00 per day rate increase). The Department increased the daily rate two percent per Section 1. The estimated impact for Personal Care is \$5,188,349.

Included in Section 3 of Engrossed SB2283 is \$600,000 to perform a study of the basic care payment system.

Included in Section 4 of Engrossed SB2283 is \$500,000 for basic care bad debt.

The total impact for the 2023-2025 biennium would be \$13,742,715.

The Department did not address the language in Section 2 of engrossed SB2283.

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.

Personal Care: For rate year July 1, 2023, the Department increased the base daily rate using the following methodology; daily rate increased based on new payment limits (rebasing), increased the rate two percent per Section 1 and finally increased the rate \$5.00 per day per Section 1. For rate year July 1, 2024, the beginning daily rate is the ending rate from June 30, 2024 (which includes the rebased amount and \$5.00 per day rate increase). The Department increased the daily rate two percent per Section 1. The estimated impact to the Grants - Medical Assistance line is \$7,454,366, of which, \$3,503,552 is General Fund.

Room and Board: For rate year July 1, 2023, the Department increased the base daily rate using the following methodology; daily rate increased based on new payment limits (rebasing), increased the rate two percent per Section 1 and finally increased the rate \$5.00 per day per Section 1. For rate year July 1, 2024, the beginning daily rate is the ending rate from June 30, 2024 (which includes the rebased amount and \$5.00 per day rate increase). The Department increased the daily rate two percent per Section 1. The estimated impact to the Grants - Medical Assistance line is \$5,188,349, all of which is General Fund.

Included in Section 3 of Engrossed SB2283 is \$600,000 of General Fund to perform a study of the basic care payment system.

Included in Section 4 of Engrossed SB2283 is \$500,000 of General Fund for basic care bad debt.

The total impact for the 2023-2025 biennium would be \$13,742,715.

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.

Included in Section 3 of Engrossed Senate Bill 2283 is appropriation authority of \$600,000, of which all is general fund, for the Department of Health and Human Services for the 2023-2025 biennium. The appropriation is for a study of the basic care payment system and would be added to the Operating appropriation line.

Included in Section 4 of Engrossed Senate Bill 2283 is appropriation authority of \$500,000, of which all is general fund, for the Department of Health and Human Services for the 2021-2023 biennium. This appropriation would be added to the Grants - Medical Assistance appropriation line.

For the 2023-2025 biennium the Department of Human Services would need appropriation increases to the base level budget in SB 2012 to the Grants - Medical Assistance appropriation line of \$13,142,715, of which, \$9,191,901 is General.

For the 2025-2027 biennium the Department of Human Services would need appropriation authority in the Grants - Medical Assistance line of \$8,397,801, of which, \$5,698,569 is General for the proposed changes in Engrossed SB2283.

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