

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE ELIMINATION OF THE SUPPLEMENTAL OLD AGE PENSION HEALTH AND MEDICAL CARE PROGRAM, AND, IN CONNECTION THEREWITH, PROVIDING FOR THE TRANSFER OF THE FUND BALANCE OF THE SUPPLEMENTAL OLD AGE PENSION HEALTH AND MEDICAL CARE FUND TO THE GENERAL FUND, AUTHORIZING THE USE OF MONEYS IN THE TOBACCO TAX CASH FUND TO PROVIDE SERVICES UNDER MEDICAID FOR THE MEDICAL CARE OF OLD AGE PENSIONERS, AND MAKING AN APPROPRIATION.

Prime Sponsors: Senator Hodge  
Representative Ferrandino

JBC Analyst: Melodie Beck  
Phone: 303-866-2061  
Date Prepared: April 11, 2011

**Summary of Amendments Made to the Bill After the 04/04/11 Legislative Council Staff Fiscal Note Was Prepared**

None.

**JBC Staff Concurrence with Legislative Council Staff Fiscal Note**

**Concurs**                       **Does Not Concur**                       **Updated Analysis**

**Amendments/Appropriation Status**

The bill includes an appropriation clause that adjusts FY 2011-12 appropriations to the Department of Health Care Policy and Financing as described in the table below.

<b>Table 1: FY 2011-12 APPROPRIATION Impacts</b>			
<b>Line Items</b>	<b>General Fund</b>	<b>Cash Funds/1</b>	<b>Total Funds</b>
Medical Service Premiums	(\$2,230,500)	\$2,230,500	\$0
Transfer of Tobacco Tax Cash Fund into the Supplemental OAP State Medical Fund	0	<u>(2,230,500)</u>	<u>(2,230,500)</u>
<b>TOTAL</b>	(\$2,230,500)	\$0	(\$2,230,500)

/1 These amounts shall be from the Tobacco Tax Cash Fund. These appropriations meet the Constitutional requirement that a portion of the revenues collected from the imposition of additional cigarette and tobacco taxes be appropriated for health-related purposes to the Old Age Pension program.

The bill also increases General Fund revenues by \$736,087 from transferring any fund balance remaining in the Supplemental Old Age Pension Health and Medical Care Fund on June 30, 2011

to the General Fund. The Supplemental Old Age Pension Health and Medical Care Fund is repealed on July 1, 2012.

Staff has prepared amendment **J.002** (attached) to make formatting changes to the appropriation clause. There is no impact from this amendment.

**Bill Sponsor Amendments**

Staff is not aware of any sponsor amendments to be offered.

**Points to Consider**

1. The Joint Budget Committee (JBC) has introduced a balanced budget package for FY 2011-12 based on the March 2011 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its plan the General Fund savings that would result from the passage of this bill, as introduced. Thus, if this bill does not become law with at least \$2.2 million in General Fund savings for FY 2011-12, General Fund expenditures will need to be reduced elsewhere in the FY 2011-12 budget by \$2.2 million.
2. The Joint Budget Committee (JBC) has introduced a balanced budget package for FY 2011-12 based on the March 2011 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its plan the General Fund revenue increase that would result from the passage of this bill, as introduced. Thus, if this bill does not become law with at least \$736,087 in General Fund revenues for FY 2011-12, General Fund expenditures will need to be reduced in the FY 2011-12 budget by \$736,087.