

JBC STAFF FISCAL ANALYSIS HOUSE APPROPRIATIONS COMMITTEE

CONCERNING ALIGNING MEDICAID ELIGIBILITY FOR CHILDREN.

Prime Sponsors: Senator Boyd
Representative Gerou

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Summary of Amendments Made to the Bill After the 02/07/11 Legislative Council Staff Fiscal Note Was Prepared

The Legislative Council Staff Fiscal Note dated February 7, 2011 reflects the fiscal impact for the strike-below amendment that was adopted by the Senate Health and Human Services Committee on February 9, 2011.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

☐ **Concurs** ☐ **Does Not Concur** ☒ **Updated Analysis**

Reason for the Update

Staff updated the per capita costs for the Medicaid and Children's Basic Health Plan (CBHP) programs in FY 2012-13 and FY 2013-14 based on the Joint Budget Committee's FY 2011-12 recommendations for these programs.

Cost Component	Legislative Council Staff Estimate		JBC Staff Estimate	
	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14
Computer System Changes	\$76,370	\$0	\$76,370	\$0
Administration Costs	\$253,064	\$208,152	\$253,064	\$208,152
Early and Periodic Screening Medicaid Requirements	\$28,976	\$117,883	\$28,976	\$117,883
Medicaid Benefit Costs	\$9,527,623	\$39,899,181	\$9,308,613	\$38,982,099
Children's Basic Health Plan Benefit Costs	<u>(\$12,051,607)</u>	<u>(\$50,189,768)</u>	<u>(\$11,929,097)</u>	<u>(\$49,679,654)</u>
TOTAL	(\$2,165,574)	(\$9,964,552)	(\$2,262,074)	(\$10,371,520)
State Funds (various sources)	(\$707,648)	(\$3,316,601)	(\$741,423)	(\$3,459,040)
Federal Funds	(\$1,457,926)	(\$6,647,951)	(\$1,520,651)	(\$6,912,480)

Staff assumes the source of any state costs or savings from this bill will be from the General Fund. The bill is written to allow, but not require, the Children's Basic Health Plan Trust (CBHP Trust) and Health Care Expansion Fund (HCE Fund) to support the costs in the Medicaid program from moving these clients from the CBHP program. Currently, these funds partially pay the expenditures for these clients in the CBHP program. However, based on the Joint Budget Committee's recommendations for these programs, beginning in FY 2011-12 the CBHP program will require a \$34.2 million General Fund appropriation due partly to inadequate revenues in the CBHP Trust and HCE Fund. Therefore, to simplify budgeting and fund accounting, staff assumes that all state costs and savings in both the Medicaid and CBHP program resulting from this bill would be from the General Fund. Based on the analysis above, the bill is anticipated to save \$741,423 in General Fund in FY 2012-13.

Amendments/Appropriation Status

The bill neither requires nor contains an appropriation clause for FY 2011-12. In FY 2012-13 the bill is anticipated to reduce expenditures in the Department of Health Care Policy and Financing by \$2,262,074 total funds. Of this amount, \$741,423 is from the General Fund and \$1,520,651 is from federal funds.

Bill Sponsor Amendments

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

Points to Consider

None.