



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 305 SRS 03- 1496
Bill Text Version: ENROLLED
Opp Chamb Action:
Sub Bill For:
Proposed Amd:

Date: June 4, 2003 10:37 AM Author: SCHEDLER
Dept/Agy: Health and Hospitals (DHH) Analyst: Brian Crow
Subject: Medicaid Buy-in for disabled individuals

EN +\$472,217 GF EX See Note

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HEALTH/HOSPITALS DEPT: Requires DHH to create an optional Medicaid program for disabled to buy-in to Medicaid coverage so they can return to work and maintain eligibility.

The proposed legislation requires DHH to create a Medicaid buy-in program for the disabled to allow the disabled to return to the work force while maintaining Medicaid health care coverage relative to the provisions of the federal "Ticket to Work and Work Incentives Improvement Act" initiatives. The provisions of the bill shall not be implemented by DHH unless funding and performance standards, including a specified target for enrollment, are included in the General Appropriation Act enacted during the 2003 Regular Session of the Legislature. The bill requires DHH to promulgate rules and regulations in accordance with the Administrative Procedures Act that include the following: 1) procedures for application, application forms, and eligibility criteria for the disabled to obtain coverage; 2) a sliding scale for the buy-in amounts to be paid by the working disabled to maintain Medicaid coverage, while working; 3) a plan to publicize the eligibility criteria and where applications may be obtained; and 4) any standards or procedures necessary to properly implement a buy-in program for the disabled. (Continued page 2)

Table with 7 columns: EXPENDITURES, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 5 YEAR TOTAL. Rows include State General Fd., Agy. Self-Gen., Stat. Deds./Other, Federal Funds, Local Funds, and Annual Total. A second section for REVENUES follows the same format.

EXPENDITURE EXPLANATION:

The expenditures of DHH will increase by the amounts shown as a result of this measure. The proposed legislation authorizes the implementation of a Medicaid Buy-in program (State response to the federal Ticket to Work and Work Incentives Improvement Act of 1999) for persons with disabilities that will allow them to work and maintain access to medical care and support services.

The estimated costs of the program are based on the following assumptions:

- 1) a start date of January 1, 2004;
2) an enrollment of 1,716 qualified individuals in the first 6 months of operation;
3) 80 % of the 1,716 (1,374) would cost an average of \$232 per month;
4) 20% of the 1,716 (342) would cost an average of \$452 per month;
5) an enrollment of 2,580 in FY 05, increasing to 3,576 in FY 08;
6) an average monthly cost of \$239 in FY 05, increasing to \$261 in FY 08 for 80% of the total enrollment; and
7) an average monthly cost of \$467 in FY 05, increasing to \$510 in FY 08 for 20% of the enrollment.

The provisions of the bill shall not be implemented by DHH unless funding and performance standards, including a specified target for enrollment, are included in the General Appropriation Act enacted during the 2003 Regular Session of the Legislature.

REVENUE EXPLANATION:

The expenditures of DHH will increase by the amounts shown as a result of this measure. The federal portion of the funds available for the Medicaid Buy-in Program are calculated using a match rate of 71.54%.

The bill authorizes DHH to establish a sliding scale for premiums for the buy-in program based upon the enrollee's ability to pay. Estimates provided by DHH indicate that approximately \$300,000 to \$500,000 per year could possibly be collected from the

(Continued Page 2)

Senate

[X] 13.5.1 >= \$500,000 Annual Fiscal Cost

[ ] 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

[ ] 6.8(F) >= \$500,000 Annual Fiscal Cost

[ ] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk (signature)

H. Gordon Monk
STAFF DIRECTOR



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CONTINUED EXPLANATION (continued from page one) :

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The bill provides that beginning January 1, 2004, and semiannually thereafter, the Department shall report the status of the buy-in program, including the number of enrollees, the estimated cost of the program, and any other information the Department deems pertinent to this program, to the Joint Legislative Committee on the Budget and to the Senate and House committees on health and welfare.

CONTINUED REVENUE EXPLANATION:

sliding scale provisions in the bill. As there are no provisions in the bill relative to the usage of any monies collected (self-generated) from premium payments, and in the absence of a dedication of such monies, it is assumed that the funds would revert to the state general fund.

Dual Referral Rules

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

H. Gordon Monk  
STAFF DIRECTOR