

FISCAL NOTE

Requested by Legislative Council
02/12/2001

Bill/Resolution No.:

Amendment to: HB 1441

1A. **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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$3,382,885		\$5,340,009
Expenditures			\$1,342,357	\$3,382,885	\$1,946,917	\$5,340,009
Appropriations			\$1,342,357	\$3,382,885	\$1,946,917	\$5,340,009

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would change the Federal poverty line for Healthy Steps from 140 percent to 165 percent. The Department anticipates that an additional 2,059 children would be eligible with the change in the Federal poverty line. Additionally, the bill would eliminate the asset test for medical assistance for minors and pregnant women. It is estimated that the elimination of the asset test will allow Medicaid eligibility for an additional 1,320 individuals, of which 765 are estimated to be currently covered on the Healthy Steps program.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Additional revenue would be from from Federal matching funds.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures would be the premium payments made for the additional eligible children enrolled in the Healthy Steps program. The premium payments would be \$126.52 per child per month. It is estimated that 30% of the additionally eligible children would register for the program when it becomes available, and that enrollment would increase to 75% of the eligible children by June 30, 2003. Additionally, it is estimated that an additional 1,320 children will be enrolled in the Medicaid program with the elimination of the asset test for children and pregnant

women. The cost to the Medicaid program would be at an average rate of \$137.01 per member per month. It is estimated that due to the elimination of the asset test, 765 children currently enrolled in the Healthy Steps program would be covered by the Medicaid program at a cost savings of \$126.52 per member per month.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The appropriation increase over the biennium due to the change in the poverty line for Healthy Steps would be \$3,275,982, of which \$690,704 would be general funds. Additionally, the elimination of the asset test for children and pregnant women would have a net effect of \$1,425,260, of which \$639,653 would be general funds. An increased appropriation of \$24,000 would be necessary for programming changes related to this bill, of which \$12,000 would be general funds.

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Agency: Department of Human Services
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Prepared: