

# FISCAL NOTE

Requested by Legislative Council

03/21/2001

Bill/Resolution No.:

Amendment to:            Reengrossed  
                                      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 |
| <b>Revenues</b>       |                    |             |                    | \$2,168,188 |                    | \$3,713,219 |
| <b>Expenditures</b>   |                    |             | \$688,197          | \$2,168,188 | \$1,262,061        | \$3,713,219 |
| <b>Appropriations</b> |                    |             | \$688,197          | \$2,168,188 | \$1,262,061        | \$3,713,219 |

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 eliminate the asset test for children and family coverage groups for the Medicaid Program. The bill would also change the eligibility limit for the Healthy Steps Program from the net test at 140% of the federal poverty level to a gross test at 185% of the federal poverty level. Both of these changes would become effective January 1, 2002.

It is estimated that the elimination of the asset test will cause an additional 1,669 individuals (1,487 children and 182 individuals over 19) to obtain coverage through the Medicaid Program. It is estimated that 960 of these children would be enrolled in the Healthy Steps Program.

The Department estimates that an additional 1,041 children will qualify for the Healthy Steps Program with the change in eligibility guidelines. The Department estimates that 30% of the individuals, or 312 additional children will be enrolled during January 2002, and by January 2004, 781 or 75% of the eligible children will be enrolled.

The bill also requires the Department of Human Services to do eligibility determination for the Healthy Steps Program. The bill requires a study to be conducted by the Department prior to April 1, 2002, as set forth in Section 8 of the bill. The Department is to seek grants to fund the study.

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 revenues would be from Federal matching funds and funds received from granting organizations.

**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.*

Expenditures would be as follows:

- Elimination of the asset test for Medicaid - \$3,597,237 total; \$868,576 general funds
- Elimination of 960 children from Healthy Steps, savings of - (\$2,186,265) total; (\$460,938) general funds
- Computer system changes - \$24,000 total; \$12,000 general funds
- Healthy Steps @ 185% of gross - \$1,098,447 total; \$231,562 general funds
- Two additional Healthy Steps staff - \$172,966 total; \$36,997 general funds
- Study - \$150,000 total; no general funds

**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.*

Based upon the expenditures detailed in Section 3 B. above the Department's appropriation would need to be increased by \$2,856,385, with \$688,197 being general funds. Also two additional FTE's would be required to administer the program.

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**Agency:** Department of Human Services  
**Date:** 03/23/2001  
**Prepared:**