

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2338-01
Bill No.: SB 581
Subject: Health Care; Health, Public; Medicaid; Social Services Department
Type: Original
Date: March 13, 2007

Bill Summary: This proposal modifies the eligibility requirements for the state Medicaid programs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$293,048,918 to \$294,412,043)	(\$369,414,169 to \$370,882,417)	(\$387,205,061 to \$388,714,357)
Total Estimated Net Effect on General Revenue Fund	(\$293,048,918 to \$294,412,043)	(\$369,414,169 to \$370,882,417)	(\$387,205,061 to \$388,714,357)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 16 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and costs of approximately \$482.1M in FY08, \$607.7M in FY09 and \$637.8M in FY10 would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	25.37 FTE	25.37 FTE	25.37 FTE
Federal	17.63 FTE	17.63 FTE	17.63 FTE
Total Estimated Net Effect on FTE	43 FTE	43 FTE	43 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Treasurer** and the **Missouri Senate** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Attorney General (AGO)** assume that the implementation of this proposal will create no fiscal impact for this office. However, because the AGO is responsible for defending such legislation in constitutionality claims, AGO assumes that the nature of these provisions could create a fiscal impact. As a result, AGO assumes costs are unknown, but under \$100,000.

Officials from the **Department of Mental Health (DMH)** assume this proposal would return Medicaid and CHIP eligibility back to the January 1, 2005 criteria or an even less restrictive set of criteria. DMH assumes there would be new Medicaid eligibles and the estimated fiscal impact is unknown. However, DMH assumes that the DMH costs are included in the Department of Social Services (DSS) costs. Should a larger fiscal impact result than that which is estimated by DSS, DMH would seek additional funds through the appropriation process.

Officials from the **Department of Health and Senior Services (DHSS)** assume the Department of Social Services (DSS) will calculate the fiscal impact associated with determining eligibility under the new requirements, the cost of services for the new group of eligible recipients, and the cost of any administrative hearings regarding denial of eligibility.

Additional Eligibles:

The Division of Senior and Disability Services (DSDS) has utilized the following new Medicaid eligibles, as provided by the DSS - Family Support Division (FSD), and numbers from the DSDS system to determine the fiscal impact to DHSS:

ASSUMPTION (continued)

Category of Eligibility	Number of Potential New Eligibles	Potential Number Utilizing Services
Medical Assistance for Families (MAF)*	102,143	<100 (based on current utilization)
Medical Assistance – General Relief	2,728	59 Age 18-59 with disabilities (2,728 X 11.6% X 18.6%) 164 Seniors (2,728 X 18.8% X 32%)
Medical Assistance – Working Disabled (MAWD)	16,987	366 (16,987 X 11.6% X 18.6%)
Shift from 85% to 100% of Federal Poverty Level	17,302 to non-spenddown 41,805 to reduced spenddown	1,275 Age 18-59 with disabilities (59,107 X 11.6% X 18.6%) 3,556 Seniors (59,107 X 18.8% X 32%)
Point Count Criteria Change (21 to 18) for Long-Term Care		809
TOTALS	180,965	6,229

*Less than 1% of the adults in the MAF program utilize home and community based services; therefore, DSDS assumes the cost associated with case management for these individuals could be absorbed.

Adults (Age 18-59):

Adults age 18-59 must meet certain criteria to receive In-Home Services (IHS) or Consumer-Directed Services (CDS), which includes meeting the nursing facility level of care point count (which would be changed from 21 to 18). These individuals are almost always considered disabled. The IHS and CDS programs provide them with a cost-effective means to live independent lives in their own homes and communities instead of nursing facilities. Using the U.S. Census Bureau's population estimates regarding disability, DSDS assumes approximately 11.6% of Missourians age 18-59 may meet the criteria to receive IHS or CDS services, or 9,143. The utilization rate for IHS and CDS by eligible adults age 18-59 is approximately 18.6%. Therefore, DSDS assumes 1,700 additional individuals would access IHS or CDS services.

ASSUMPTION (continued)

Seniors (Age 60+):

Seniors over age 60 must meet certain criteria to receive IHS services, which includes meeting the nursing facility level of care point count (which would be changed from 21 to 18). The IHS program provides them with a cost-effective means to live independent lives in their own homes and communities instead of nursing facilities. Utilizing current Census estimates, approximately 18.8% of Missouri's population is over age 60, which means 11,625 of the new eligibles would be over age 60. Based on the number of Old-Age Assistance clients accessing IHS services in FY06, DSDS assumes approximately 32% or 3,720 additional clients will utilize Medicaid IHS services.

Long-Term Care Criteria:

From Fiscal Year 2005 to present, 809 individuals who were receiving services have lost eligibility based on the change in long-term care level of care criteria (changing the nursing facility level of care required from 18 to 21). DSDS assumes these individuals would again be eligible for services.

A total of 6,229 (1,700 + 3,720 + 809) individuals could receive home and community based services.

Cost Estimate:

DSDS has no way of verifying whether these individuals will utilize these services at the same level used by current In-Home and Consumer Directed Services clients. The calculations in the following paragraphs below show the number of staff that would be needed to provide case management activities if all 6,229 individuals applied for in-home services. DSDS has no way of verifying how many of these individuals would actually request services. Therefore, the DSDS fiscal note estimate is based on a range of unknown up to 74 new staff.

As of June 30, 2006, caseloads for Division's Social Services Workers (SSW) average approximately 174 per FTE ((46,428 In-Home + 8,805 Consumer Directed)/318.04). Pursuant to 660.021 RSMo, the Caseload Standards Advisory Committee recommended that caseloads should be no more than a recommended 80 per worker. The Division would request additional staff in an effort to reduce average caseloads to at least 100 per Social Service worker.

Keeping with the previous request to reduce caseloads to 100 per worker, the Division will require 62 (6,229 clients / 100 = 62.29) SSW positions to case manage the new eligibles as a result of this legislation.

ASSUMPTION (continued)

Currently, the ratio of Home and Community Area Supervisor is one supervisor for every ten SSW FTE. Therefore, since this legislation will require 62 SSW FTE, DSDS will also need 6 additional Supervisors and 6 clerical staff.

Standard FTE expense and equipment costs are included in this fiscal estimate. The blended Federal participation rate of 59% General Revenue and 41% Federal was applied to this cost estimate.

Cost Savings:

There will be an unknown cost savings to the General Revenue funded portion of Social Services Block Grant services as individuals would be transitioned back to the Medicaid program as they became eligible and/or met spenddown.

Oversight assumes the DSDS Social Services Workers could continue working at their current caseload of 174 per FTE. Oversight has, for fiscal note purposes only, changed the requested FTE to 36 SSW FTE, 4 Supervisors and 3 clerical staff. There is potential that DSDS would not need any new FTE. Therefore, oversight assumes the fiscal impact range is 0 to 43 FTE.

Officials from the **Department of Social Services - Family Support Division (FSD)** state this legislation modifies the eligibility requirements for the Medicaid programs. As a result, the FSD anticipates an increase in the following:

- Number of adults participating in Medical Assistance for Families (MAF);
- Extend Women's Health Services (EWS);
- MC+ for Kids; and
- Number of people who qualify for Medical Assistance as non-spenddown and a reduction in the spenddown amounts for Medical Assistance for the Aged and Disabled.

The following programs will be restored:

- Extend Transitional Medical Assistance (ETMA) program;
- The Medicaid portion of the General Relief program;
- Non-Custodial parents;
- Parents Fair Share (PFS) participants; and the
- Medical Assistance - Working Disabled (MA-WD) program.

ASSUMPTION (continued)

The FSD has determined 102,143 adults would be eligible for the MAF program. This is based on information from current MC+ for Children cases where children are receiving benefits and the income is less than or equal to 100% of the FPL. This adds new adult eligibles to existing MAF cases.

The FSD has determined 2,112 would be eligible for and participate in the ETMA program. An average of 88 participants are in their last quarter of eligibility for the Transitional Medical Assistance (TMA) program. The ETMA program extends eligibility for 24 months. $88 \times 24 = 2,112$. These cases are currently known to FSD through the Transitional Medical Assistance (TMA) program.

The FSD anticipates 118 Non-Custodial Parents (NCP) would be eligible for Medical Assistance if this legislation is passed. This is the number of NCPs that were receiving Medical Assistance when this program was discontinued.

The FSD anticipates 695 participants enrolled in Parents Fair Share (PFS) would receive Medical Assistance under this provision. This is the number of participants enrolled in PFS as of January 31, 2007.

The FSD anticipates 36,208 participants in the EWHS program. Currently 18,104 receive Women's Health Services for one year. EWHS extends that program for 2 years, so FSD assume the number of enrolled will double.

The FSD anticipates 6,356 children would be added to the MC+ for Kids program due to affordability standards being returned to the January 1, 2005 standards. At the time the affordability standards changed as a result of SB 539, 11,774 children stopped receiving MC+ for Kids. Since then, 5,418 have been returned to the program, for a total of 6,356 children being added. ($11,774 - 5,418 = 6,356$)

The FSD anticipates 21,986 children who are currently required to pay a premium on the MC+ for Kids program to longer be required to pay a premium. FSD also anticipates 8,174 new cases to be found eligible, or 16,348 children. This is based on the number of children who were cut from the MC+ for Kids program as a result of SB 539.

The FSD anticipates 2,728 people would apply and be found eligible for the Medical Assistance benefits through the General Relief Program. This is based on the number of people that were no longer eligible for General Relief Medical when SB 539 went into effect July 1, 2005.

ASSUMPTION (continued)

The FSD anticipates 5,154 people to be added to the MA-WD program. These are people that were receiving services through the MA-WD program when it was discontinued and no longer receiving any type of Medical Assistance. The FSD anticipates a shift in programs for 11,833 people to the MA-WD program. These are people that were receiving services through the MA-WD program but were found eligible for Medical Services in a variety of other Medical Assistance programs offered by the FSD. The FSD believes these people would return to the MA-WD program.

The FSD anticipates 15,671 cases that include 17,302 individuals moving from spenddown to non-spenddown. 41,805 individuals would see a decrease in their spenddown amounts. 15,671 cases that include 17,302 individuals would be added as new spenddown. This is based on a total spenddown population of 59,107, minus the number of individuals with income between 85% and 100% FPL (17,302). $59,107 - 17,302 = 41,805$.

The FSD would not require new FTE to manage the increase in applications and/or caseload sizes.

FSD assumes existing central Office Program Development Specialists in the Policy Unit will be able to complete necessary policy and/or forms changes.

FAMIS estimates \$390,000 would be needed to make programming changes to accommodate the changes made by this legislation.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the following:

Section 208.730.2.(1) - Eligibility requirements shall be no more restrictive than those in effect on January 1, 2005 except for certain groups and eligibility requirements shall be no more restrictive than those in effect on January 1, 2002. Since eligibility requirements are currently more restrictive than in prior years, the DMS anticipates an increase in the number of individuals receiving services. Counts furnished by the Family Support Division (FSD). A 4.5% trend was added for each fiscal year.

Reinstate MAF Adults - FSD projects 102,143 adults will be eligible for the MAF program. This count was multiplied by the average cost/eligible (\$360.82) to arrive at the annual cost of \$442.3 million. FY '08 cost for 10 months is \$368.6 million.

ASSUMPTION (continued)

Restore Extended Transitional Medical Assistance Program - An additional 2,112 individuals would be eligible for and participate in the ETMA program. These individuals will be phased-in over 24 months. FY '08 cost for 10 months is \$1.7 million.

Restore Non-Custodial Parents Program - Estimated 118 individuals will participate in this program. The average cost/eligible is based on the current MAF Adult of \$360.82. The annual cost of the program is \$.5 million. FY '08 cost for 10 months is \$425,770.

Restore Parents Fair Share Program - Estimated 695 individuals will participate in this program. The average cost/eligible is based on the current MAF Adult of \$360.82. The annual cost of the program is \$3 million. FY '08 cost for 10 months is \$2.5 million.

Extend Women's Health Services - The number of participants of this program is expected to double (18,104 to 36,208). Individuals were phased-in over one year and then enrollment will hold steady. Currently uninsured women losing their Medicaid eligibility 60 days after the birth of their child are eligible for women's health services for one year. This will extend the program for another year. The cost for providing services is \$1 million in FY '08.

Change Affordability Standards for 1115 Waiver Children (CHIP) - An additional 6,356 children are expected to enroll in the MC+ for Kids program if the affordability standards are returned to January 1, 2005 standards. The annual cost of this change is \$11.1 million. FY '08 cost for 10 months is \$9.3 million.

FSD anticipates 21,986 children who currently pay a premium will no longer be required to pay a premium. The annual cost to the DMS for the loss of the premium is \$12.9 million; for 10 months of FY '08 the cost is \$10.8 million. It is estimated that 16,348 children will enter the program because of the change in policy (no premium) at an annual cost of \$28.6 million; \$23.8 million in FY '08.

Restore General Relief Program - Projected GR eligibles (2,728) multiplied by the projected FY '08 average monthly cost/eligible (\$414.52) times 12 equals the annual cost of \$13.6 million. FY '08 cost for 10 months is \$11.3 million.

Restore MA-WD Program - Estimated number of individuals enrolling in this program is 16,987; 5,154 "new" eligibles and 11,833 individuals currently in the Medicaid program will shift to the MA-WD program. The projected annual cost is \$93.9 million. FY '08 cost for 10 months is \$78.3 million.

ASSUMPTION (continued)

Change Income Limit to 100% FPL - This change will impact current Medicaid eligibles by reducing their spenddown (41,805) or eliminating their spenddown (17,302) and adding new eligibles (17,302). The projected annual cost is \$218.3 million. FY '08 cost for 10 months is \$181.9 million.

Section 208.730.2.(2) - Medicaid services, cost-sharing and long-term care services criteria shall be no more restrictive than the state Medicaid program requirements in effect on January 1, 2005. The annual fiscal impact of restoring services and standards back to those in effect on January 1, 2005 is:

- Dental Services - \$33.9 million (FY '08 cost for 10 months is \$28.5 million)
- Services of Podiatrists - \$2.3 million (FY '08 cost for 10 months is \$1.9 million)
- Optometric Services and Orthopedic Devices or Other Prosthetics - \$34.3 million (FY '08 cost for 10 months is \$28.6 million)
 This is less the cost of eyeglasses and wheelchair batteries which were restored in fiscal year 2007.
- Comprehensive Day Rehab Services - \$1.2 million (FY '08 cost for 10 months is \$1 million)
- Income First Provision - \$3.7 million (FY '08 cost for 10 months is \$3.1 million)
- Co-payments - \$25.1 million (FY '08 cost for 10 months is \$20.9 million)
- Enforcement of all TEFRA liens on all institutionalized individuals - \$.4 million (FY '08 cost for 10 months is \$333,333)

Costs are based on the FY '06 budget cuts annualized. A 4.5% trend was added to the costs for FY '09 and FY '10. FY '08 is for 10 months of costs.

The fiscal impact of the proposed legislation for FY '08 is \$738.3 million; \$931.6 million for FY '09 and \$976.7 million for FY '10.

Officials from the **Office of the Governor** and **Missouri House of Representatives** have not responded to Oversight's request for fiscal information.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Savings</u> - Department of Health and Senior Services*			
Social Services Block Grant	Unknown	Unknown	Unknown
<u>Costs</u> - Office of the Attorney General			
Litigation Costs	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Costs</u> - Department of Health and Senior Services			
Personal Service	\$0 to (\$648,556)	\$0 to (\$801,615)	\$0 to (\$825,663)
Fringe Benefits	\$0 to (\$293,536)	\$0 to (\$362,811)	\$0 to (\$373,695)
Equipment and Expense	\$0 to (\$321,033)	\$0 to (\$203,822)	\$0 to (\$209,938)
<u>Total Costs</u> - DHSS	<u>\$0 to</u> <u>(\$1,263,125)</u>	<u>\$0 to</u> <u>(\$1,368,248)</u>	<u>\$0 to</u> <u>(\$1,409,296)</u>
FTE Change - DHSS	25.37 FTE	25.37 FTE	25.37 FTE
<u>Costs</u> - Department of Social Services - Family Support Division			
Programing Changes Costs	(\$195,000)	\$0	\$0

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
<u>Costs - Department of Social Services -</u>			
<u>Division of Medical Services</u>			
<u>Section 208.730.2(1)</u>			
Restore MAF Adult	(\$138,501,981)	(\$173,681,484)	(\$181,497,150)
Restore ETMA (2 yr phase-in)	(\$656,285)	(\$2,468,966)	(\$3,739,818)
Restore Non-Custodial Parent	(\$160,004)	(\$200,646)	(\$209,675)
Restores Parents Fair Share	(\$942,394)	(\$1,181,762)	(\$1,234,941)
Reinstate Women's Hlth Srv	(\$362,110)	(\$983,457)	(\$1,035,219)
Affordability 01/05 - CHIP	(\$2,437,324)	(\$3,056,405)	(\$3,193,943)
CHIP No Premium Current	(\$2,833,595)	(\$3,553,328)	(\$3,713,228)
New CHIP - No Premium	(\$6,268,939)	(\$7,861,249)	(\$8,215,005)
Restore General Relief Program	(\$11,308,106)	(\$14,180,365)	(\$14,818,481)
Restore MAWD Program	(\$29,407,958)	(\$36,877,580)	(\$38,537,071)
Increase Income Limit to 100%	(\$68,376,705)	(\$85,744,388)	(\$89,602,885)
<u>Section 208.730.2(2)</u>			
Restore Dental Services	(\$10,616,350)	(\$13,312,903)	(\$13,911,984)
Restore Srv Podiatrists	(\$720,283)	(\$903,235)	(\$943,881)
Orthopedic Devices/Other Prosthetics	(\$10,741,617)	(\$13,469,987)	(\$14,076,137)
Restore Comp Day Rehab	(\$375,800)	(\$471,253)	(\$492,460)
Eliminate Income First Provision	(\$1,158,717)	(\$1,453,031)	(\$1,518,417)
Eliminate Co-Payments	(\$7,860,483)	(\$9,857,046)	(\$10,300,613)
TEFRA liens	(\$125,267)	(\$157,084)	(\$164,153)
<u>Total Costs - DSS-DMS</u>	<u>(\$292,853,918)</u>	<u>(\$369,414,169)</u>	<u>(\$387,205,061)</u>
 ESTIMATED NET EFFECT ON	 <u>(\$293,048,918)</u>	 <u>(\$369,414,169)</u>	 <u>(\$387,205,061)</u>
GENERAL REVENUE FUND	<u>to</u>	<u>to</u>	<u>to</u>
	<u>\$294,412,043)</u>	<u>\$370,882,417)</u>	<u>\$388,714,357)</u>

Estimated Net FTE Change for General Revenue Fund	25.37 FTE	25.37 FTE	25.37 FTE
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*Oversight assumes cost will exceed savings.

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
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FEDERAL FUNDS

Income - Department of Health and Senior Services

Federal Assistance	\$0 to \$1,063,038	\$0 to \$1,179,815	\$0 to \$1,215,207
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Income - Department of Social Services

Federal Assistance	\$480,993,409	\$606,534,449	\$635,767,303
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Costs - Department of Health and Senior Services

Personal Service	\$0 to (\$450,691)	\$0 to (\$557,054)	\$0 to (\$573,766)
Fringe Benefits	\$0 to (\$203,983)	\$0 to (\$252,123)	\$0 to (\$259,686)
Equipment and Expense	\$0 to (\$223,092)	\$0 to (\$141,641)	\$0 to (\$145,888)
Indirect Costs	\$0 to (\$185,273)	\$0 to (\$228,997)	\$0 to (\$235,867)
<u>Total Costs - DHSS</u>	<u>\$0 to</u> <u>(\$1,063,038)</u>	<u>\$0 to</u> <u>(\$1,179,815)</u>	<u>\$0 to</u> <u>(\$1,215,207)</u>
FTE Change - DHSS	17.63 FTE	17.63 FTE	17.63 FTE

Costs - Department of Social Services - Family Support Division

Programming Changes Costs	(\$195,000)	\$0	\$0
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
<u>Costs - Department of Social Services -</u>			
<u>Division of Medical Services</u>			
Section 208.730.2(1)			
Restore MAF Adult	(\$230,050,389)	(\$288,483,188)	(\$301,464,932)
Restore ETMA (2 yr phase-in)	(\$1,090,083)	(\$4,100,927)	(\$6,211,800)
Restore Non-Custodial Parent	(\$265,766)	(\$333,270)	(\$348,267)
Restores Parents Fair Share	(\$1,565,306)	(\$1,962,894)	(\$2,051,225)
Reinstate Women's Hlth Srv	(\$601,460)	(\$1,633,511)	(\$1,719,489)
Affordability 01/05 - CHIP	(\$6,826,546)	(\$8,560,488)	(\$8,945,710)
CHIP No Premium Current	(\$7,936,435)	(\$9,952,290)	(\$10,400,143)
New CHIP - No Premium	(\$17,558,271)	(\$22,018,072)	(\$23,008,885)
Restore General Relief Program	\$0	\$0	\$0
Restore MAWD Program	(\$48,846,322)	(\$61,253,287)	(\$64,009,685)
Increase Income Limit to 100%	(\$113,573,015)	(\$142,420,561)	(\$148,829,487)
Section 208.730.2(2)			
Restore Dental Services	(\$17,633,650)	(\$22,112,597)	(\$23,107,664)
Restore Srv Podiatrists	(\$1,196,384)	(\$1,500,265)	(\$1,567,777)
Orthopedic Devices/Other Prosthetics	(\$17,841,716)	(\$22,373,513)	(\$23,380,321)
Restore Comp Day Rehab	(\$624,200)	(\$782,747)	(\$817,970)
Eliminate Income First Provision	(\$1,924,616)	(\$2,413,469)	(\$2,522,076)
Eliminate Co-Payments	(\$13,056,184)	(\$16,372,454)	(\$17,109,215)
TEFRA liens	(\$208,066)	(\$260,916)	(\$272,657)
<u>Total Costs - DSS-DMS</u>	<u>(\$480,798,409)</u>	<u>(\$606,534,449)</u>	<u>(\$635,767,303)</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for Federal Funds	17.63 FTE	17.63 FTE	17.63 FTE

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal could have an impact on physicians and other providers that are considered small businesses.

FISCAL DESCRIPTION

This legislation repeals the June 30, 2008, sunset provisions to the state Medicaid program and to the healthcare for uninsured program (CHIP).

This legislation also provides that eligibility requirements in the state Medicaid program and state Medicaid services, cost-sharing, long-term care services criteria, and CHIP affordability standards shall be no more restrictive than those in effect on January 1, 2005, except that for Medicaid eligibility for custodial parents, noncustodial parents, extended transitional medical assistance, and extended women's health services, the eligibility requirements shall be no more restrictive than the January 1, 2002, eligibility requirements.

This legislation also provides that by June 1, 2009, the General Assembly shall develop a plan that outlines a Missouri solution to provide access to affordable, high-quality health care for all Missourians and to take all necessary steps to ensure meaningful public input into each step of developing the plan. The plan should be based on best practices and any implemented changes shall be subject to annual review and evaluation of the impact on providers as well as its impact on those insured.

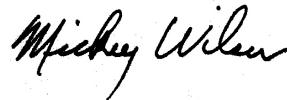
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Missouri Senate
Office of the Secretary of State
Office of the State Treasurer

Not Responding: Office of the Governor

Not Responding: Missouri House of Representatives



Mickey Wilson, CPA
Director
March 13, 2007