

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2440-01
Bill No.: SB 653
Subject: Health Care; Insurance - Medical
Type: Original
Date: March 21, 2007

Bill Summary: This proposal modifies the eligibility requirements for the uninsured Women's Health Program to include women eighteen years of age and older with net family incomes of at or below 185% of the federal poverty level.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$12,438,830)	(\$13,744,050)	(\$14,212,442)
Total Estimated Net Effect on General Revenue Fund	(\$12,438,830)	(\$13,744,050)	(\$14,212,442)

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 8 pages.

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

*Income and costs of approximately \$16.2M in FY08, \$18.5M in FY09 and \$19.2M in FY10 would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	232 FTE	232 FTE	232 FTE
Federal	232 FTE	232 FTE	232 FTE
Total Estimated Net Effect on FTE	464 FTE	464 FTE	464 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 **Department of Health and Senior Services, Department of Mental Health** and the **Department of Insurance, Financial Institutions & Professional Registration** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services - Information Technology Services Division (ITSD)** assume this program will be implemented as a new Income Maintenance public assistance program. Programming will be required to integrate the new program into the legacy eligibility systems and eventually in the FAMIS (Family Assistance Management Information System). Generally, new public assistance programs require ITSD to add one or more new levels of care, subprogram codes, Medicaid Eligibility codes as well as system edits to insure data integrity and programming for reporting for case maintenance purposes. Programming will also be required to enroll the recipients in a managed care plan.

Assumptions:

- Programming to add new level of care and subprogram codes in the Income Maintenance legacy system will require about 160 hours (analysis, code, test and implement).
- Revise programming in the Income Maintenance system to identify recipients eligible for managed care and pass the information to the Medicaid system. Total effort = 60 hours for required analysis, code, test and implementation.
- Create new Medicaid eligibility codes in the Medicaid system. Past experience indicates 40 hours of effort are required to implement additional codes (analysis, code, test and implement).
- Revise managed care programming and interface process in the Medicaid system process managed care and transmit managed care eligibility to the managed care enrollment broker. Estimating 40 hours to code, test and implement.
- Revise programming to transmit Medicaid eligibility to the MMIS fiscal agent (vendor that process medical service claims for the state). Estimating 40 hours to code, test and implement.

Total effort = 340 hours. Assuming cost for contractor with COBOL and IDMS skill set to be \$75.00 hour. Implementation in late August of this year would require use of contract staff. The fiscal impact would be: 340 hours X \$75.00 per hour = \$25,500

This cost would be reduced if implementation did not have to occur before September, 2007. ITSD would use in-house staff entirely with a January 1, 2008 implementation, for example.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Legal Services (DLS)** state the Family Support Division has estimated that this proposal would add 91,634 eligible women to the Medicaid rolls. It is unknown how many would apply for the program. As there is an income level for the program, denials and closings would continue to happen. It is possible with this amount of population affected that it would generate enough hearings for the need for an additional hearing officer, as each hearing officer holds approximately 400 to 500 hearings per year. However, it is unclear as to if any additional staff would be needed, as it cannot be calculated how many denials for the program would be done. It is projected that it would have a fiscal impact on DLS, but the impact is unknown less than \$100,000.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state this legislation expands eligibility in the uninsured women's health program to include women who are at least eighteen years of age and have a net family income of 185% FPL or below. This expansion allows women who meet these criteria to receive certain medical services even if they are not pregnant. The legislation does not change the services that are available. Those services include pelvic exams and pap tests; sexually transmitted disease testing and treatment; family planning counseling/education on various methods of birth control; Department of Health and Human Services approved methods of contraception; drugs, supplies or devices related to the women's health services described above when they are prescribed by a physician or advanced practice nurse.

The cost per eligible is based on the average cost per eligible in the 1115 Waiver Health Care Access program and is \$132.96 annually. The cost for 10 months in FY08 is \$10,153,050 Total, \$3,140,338 GR; 12 months in FY09 is \$12,731,922 Total, \$3,937,983 GR; 12 months in FY10 is \$13,304,858 Total, \$4,115,193 GR. An inflation factor of 4.5% was added to fiscal years 2009 and 2010.

Officials from the **Department of Social Services - Family Support Division (FSD)** state FSD anticipates 91,634 women being added to the Extended Women's Health Services program.

Based on 91,634 additional cases, and a 243 caseload standard, FSD would need 377 (91,634/243 = 377) new Eligibility Specialists.

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 37 (377 /10 = 37) new Eligibility Supervisors.

ASSUMPTION (continued)

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Professional Staff, FSD would need an additional 69 ($377 + 37 = 414 \div 6 = 69$) professional staff, with 52 Office Support Assistant (OSA) and 17 Senior Office Support Assistant (SOSA).

Oversight has, for fiscal note purposes only, assumed the FSD Eligibility Specialist could operate at a 253 caseload standard, which is the maximum caseload suggested by the Caseload Standard Committee. Therefore, FSD would need 362 ($91,634/253$) Eligibility Specialist, 36 ($362/10$) Eligibility Supervisors and 66 ($(362 + 36)/6$) professional staff (50 OSA and 16 SOSA).

Oversight has, for fiscal note purposes only, changed the starting salary for the DHSS positions to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services:</u>			
ITSD			
Programming Costs	(\$25,500)	\$0	\$0
<u>Costs - Department of Social Services:</u>			
DLS			
Hearing Costs	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Costs - Department of Social Services:</u>			
DMS			
Eligibility Expansion	(\$3,140,338)	(\$3,937,983)	(\$4,115,193)
<u>Costs - Department of Social Services:</u>			
FSD			
Personal Service	(\$5,193,839)	(\$6,422,154)	(\$6,614,819)
Fringe Benefits	(\$2,350,732)	(\$2,906,667)	(\$2,993,867)
Equipment and Expense	<u>(\$1,628,421)</u>	<u>(\$377,246)</u>	<u>(\$388,563)</u>
<u>Total Costs - DOS:FSD</u>	<u>(\$9,172,992)</u>	<u>(\$9,706,067)</u>	<u>(\$9,997,249)</u>
FTE Change - DOS:FSD	232 FTE	232 FTE	232 FTE
ESTIMATED NET EFFECT ON			
GENERAL REVENUE FUND			
	<u>(\$12,438,830)</u>	<u>(\$13,744,050)</u>	<u>(\$14,212,442)</u>
Estimated Net FTE Change for General Revenue Fund			
	232 FTE	232 FTE	232 FTE

FEDERAL FUNDS

<u>Income</u> - Department of Social Services			
Federal Assistance	\$16,185,704	\$18,500,006	\$19,186,914
<u>Costs</u> - Department of Social Services:			
DMS			
Eligibility Expansion	(\$7,012,712)	(\$8,793,939)	(\$9,189,665)
<u>Costs</u> - Department of Social Services:			
FSD			
Personal Service	(\$5,193,839)	(\$6,422,154)	(\$6,614,819)
Fringe Benefits	(\$2,350,732)	(\$2,906,667)	(\$2,993,867)
Equipment and Expense	(\$1,628,421)	(\$377,246)	(\$388,563)
<u>Total Costs - DOS:FSD</u>	<u>(\$9,172,992)</u>	<u>(\$9,706,067)</u>	<u>(\$9,997,249)</u>
FTE Change - DOS:FSD	232 FTE	232 FTE	232 FTE

**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 Estimated Net FTE Change for Federal Funds	 232 FTE	 232 FTE	 232 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

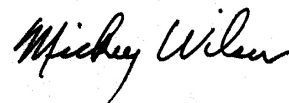
FISCAL DESCRIPTION

This legislation requires the Division of Medical Services to revise the eligibility requirements for the uninsured women's health program to include women who are at least 18 years old and with a net family income of at or below 185 percent of the federal poverty level.

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

Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services



Mickey Wilson, CPA
Director
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