

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5966-01
Bill No.: SB 925
Subject: Disabilities; Health Care; Insurance - Medical; Medicaid; Social Services
 Department
Type: Original
Date: February 17, 2016

Bill Summary: This proposal creates the MO HealthNet Buy-In for Workers with Disabilities program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Unknown greater than \$5,000,000)	(Unknown greater than \$6,000,000)	(Unknown greater than \$6,000,000)
Total Estimated Net Effect on General Revenue	(Unknown greater than \$5,000,000)	(Unknown greater than \$6,000,000)	(Unknown greater than \$6,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses unknown greater than \$9 million annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **Department of Labor and Industrial Relations** assume the proposal would not fiscally impact their agency.

Oversight notes this proposal changes the name of the Ticket to Work Health Assurance program to the MO HealthNet Buy-In for Workers with Disabilities Program and provides the following changes (among others) to qualify for the program:

- Increases income levels for eligibility from 250% or less of the Federal Poverty Level (FPL) to 300% of the FPL;
- Removes asset limitations in determining eligibility; and,
- All earned income of the spouse shall be disregarded.

Oversight has determined for each 1% increase in eligibility for the program, MO HealthNet costs are likely to increase by at least \$300,000. Therefore, Oversight assumes costs for this proposal to be unknown exceeding \$15,000,000 annually (\$300,000 x 50 percentage point increase in eligibility). Costs are generally split approximately 40% General Revenue/60% Federal funds.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Costs - DSS</u>			
Increase in state share of program costs	<u>(Unknown greater than \$5,000,000)</u>	<u>(Unknown greater than \$6,000,000)</u>	<u>(Unknown greater than \$6,000,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Unknown greater than \$5,000,000)</u>	<u>(Unknown greater than \$6,000,000)</u>	<u>(Unknown greater than \$6,000,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
FEDERAL FUNDS			
<u>Income - DSS</u>			
Increase in program reimbursements	Unknown greater than \$7,500,000	Unknown greater than \$9,000,000	Unknown greater than \$9,000,000
<u>Costs - DSS</u>			
Increase in program costs	<u>(Unknown greater than \$7,500,000)</u>	<u>(Unknown greater than \$9,000,000)</u>	<u>(Unknown greater than \$9,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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

The Ticket to Work Health Assurance Program provides medical assistance through MO HealthNet for employed, disabled persons who meet certain qualifications, including asset limits and earned, net, and gross income calculations. Under current law, disabled individuals whose income exceeds one hundred percent of the federal poverty level pay a premium for participation in the program. If an eligible person's employer offers employer-sponsored health insurance and the Department of Social Services determines the employer-sponsored insurance is more cost effective, the department will instead pay that person's costs for the employer-sponsored health insurance.

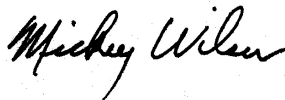
FISCAL DESCRIPTION (continued)

This act changes the Ticket to Work Health Assurance Program to the "MO HealthNet Buy-In for Workers with Disabilities Program." MO HealthNet Buy-In differs from the Ticket to Work Health Assurance Program in the following ways: (1) removes asset limits from qualification calculations; (2) simplifies the income calculation from a net/gross calculation to a broader definition that would consider income for those disabled persons with incomes up to 300% of the federal poverty level, while retaining the requirement that persons with incomes over 100% of the federal poverty level pay a premium; (3) all earned income of a spouse shall be disregarded from income calculations; (4) if the Department elects to pay the person's costs of employer-sponsored health insurance, MO HealthNet assistance shall be provided as a secondary or supplemental policy; (5) the Department shall provide an annual report to the General Assembly concerning the number of participants and outreach and education efforts; and (6) the expiration provision for the program of August 29, 2019, has been removed.

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 Labor and Industrial Relations



Mickey Wilson, CPA
Director
February 17, 2016

Ross Strobe
Assistant Director
February 17, 2016