

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1114-01
Bill No.: SB 232
Subject: Disabilities; Health Care; Medicaid/MO HealthNet; Social Services Department
Type: Original
Date: February 18, 2019

Bill Summary: This proposal extends the expiration date of the Ticket to Work Health Assurance Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Premium Fund (0885)	\$1,007,960	\$1,209,552	\$1,209,552
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,007,960	\$1,209,552	\$1,209,552

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS)** state they do not anticipate a fiscal impact as a result of this legislation. However, if the sunset is not extended, there would be a loss of revenue to the state. Individuals would no longer pay a premium for Ticket to Work which would result in a loss of revenue to the state of approximately \$1.2 million per year (based on SFY 2018 premiums collected of \$1,209,552; premiums go to the Premium Fund (#885)). Individuals no longer paying premiums would continue to be covered for Medicaid benefits through a different eligibility group or spenddown.

Oversight obtained additional information from DSS regarding costs associated with the Ticket to Work program. The Ticket to Work program costs the DSS approximately \$35 million annually for the premium program and about \$9 million annually for the non-premium program. Multiple programs have expenditures related to the Ticket to Work program including nursing facilities, hospitals, dental, pharmacy, physician services, in-home services, mental health services, state institutions and Early Periodic Screening Diagnosis and Treatment (EPSDT) services. Pharmacy and Managed Care programs receive the funds from the Ticket to Work premiums collected. During FY 2018, approximately 1,380 individuals participated in the premium program and 234 in the non-premium program.

Oversight assumes this bill will extend the sunset of the Ticket to Work program and will, therefore, will present premiums collected by the Ticket to Work program of \$1,209,552 annually to the Premium Fund. Oversight assumes there may be costs associated with this program up to \$44 million; however, Oversight is unable to determine whether the individuals would be covered through a different eligibility group or spenddown as stated by DSS above. Therefore, Oversight will reflect DSS' assumption of no fiscal impact from this proposal other than the continuation of collecting premiums.

Officials from the **Office of Administration, Division of Budget & Planning (B&P)** state this proposal has no direct fiscal impact on B&P. In addition, the proposal has no direct impact on general or total state revenues and will not impact the calculation pursuant to Article X, Sec. 18(e).

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
PREMIUM FUND (#0885)			
<u>Income - DSS (\$208.146)</u>			
Ticket to work premiums	<u>\$1,007,960</u>	<u>\$1,209,552</u>	<u>\$1,209,552</u>
ESTIMATED NET EFFECT ON THE PREMIUM FUND	<u>\$1,007,960</u>	<u>\$1,209,552</u>	<u>\$1,209,552</u>

FISCAL IMPACT - Local Government

FY 2020
(10 Mo.)

FY 2021

FY 2022

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act changes the Ticket to Work Health Assurance Program's expiration date from August 28, 2019, to August 28, 2025.

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 Social Services
Office of Administration -
Division of Budget & Planning



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Director
February 18, 2019

Ross Strobe
Assistant Director
February 18, 2019