

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2212-01
Bill No.: SB 448
Subject: Children and Minors; Children's Division; Domestic Relations; Family Law; Health Care; Insurance - Health; Medicaid/MO HealthNet
Type: Original
Date: March 25, 2019

Bill Summary: This proposal modifies the law regarding the provision of health care through a child support order.

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
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 2020	FY 2021	FY 2022
Federal Funds	\$0 or \$269,698,605	\$0 or \$269,698,605	\$0 or \$269,698,605
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or \$269,698,605	\$0 or \$269,698,605	\$0 or \$269,698,605

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 this legislation is federally mandated by 45 CFR 303.31 revised under the 2017 Flexibility, Efficiency, and Modernization in Child Support Programs Final Rule.

For the purposes of this fiscal note, this risk of loss of federal funding is not included in the overall fiscal impact. If this legislation is not passed, the state would risk losing the full IV-D federal share of expenditures for Missouri's IV-D program, including incentive payments, and the Temporary Assistance for Needy Families (TANF) block grant. The Office of Child Support Enforcement recently sent a letter to the Family Support Division (FSD) regarding noncompliance.

Assuming this proposal is passed, the provisions of the proposal will have no fiscal impact on the DSS.

Oversight obtained additional information from the DSS. DSS indicated if FSD does not comply with the amendments to federal law referred to above, its IV-D State Plan will not be approved and federal funding of the child support program and TANF program will be at risk. For Federal Fiscal Year (FFY) 2015, the federal share of expenditures for Missouri's IV-D program, including incentive payments, was approximately \$52.6 million. In addition, the state must have an approved IV-D state plan as a condition for eligibility for a TANF block grant. For FFY 2015, the TANF block grant to Missouri was approximately \$217 million. Oversight will present the potential loss avoidance of federal funds as "\$0 or ..." the amounts provided by DSS.

Oversight notes that the **Office of State Courts Administrator** has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
FEDERAL FUNDS			
<u>Loss Avoidance - DSS (§§454.600 and 454.603)</u>	\$0 or...	\$0 or...	\$0 or...
Loss of IV-D program expenditures and incentive payments	\$52,646,865	\$52,646,865	\$52,646,865
Loss of TANF block grant	<u>\$217,051,740</u>	\$217,051,740	\$217,051,740
<u>Total Loss Avoidance - DSS</u>	<u>\$269,698,605</u>	<u>\$269,698,605</u>	<u>\$269,698,605</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
	<u>\$269,698,605</u>	<u>\$269,698,605</u>	<u>\$269,698,605</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The loss of federal funding through the TANF block grant could significantly impact small businesses.

FISCAL DESCRIPTION

This act modifies the definition of a "health benefit plan" to include public assistance programs when referring to the provision of health care to a child through a child support order. The court or Children's Division shall require the child to be covered by a health benefit plan in any IV-D case. The plan may be private whenever such a plan is available through a parent's employer or union. If a private plan is not available at a reasonable cost, the court may require a parent to otherwise provide coverage for the child.

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

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SOURCES OF INFORMATION

Department of Social Services -
Children's Division
Family Support Division
Office of State Courts Administrator

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March 25, 2019

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March 25, 2019