

Department of Planning and Budget 2002 Fiscal Impact Statement

1. Bill Number HB790

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Miles

3. Committee Education and Health

4. Title Filing an application for the Family Access to Medical Insurance Security (FAMIS) Plan

5. Summary/Purpose:

This bill permits a parent, legal guardian, or any other adult caretaker relative to file an application for a child for the Family Access to Medical Insurance Security (FAMIS) Plan if the person is familiar with the child's circumstances and has exercised responsibility for the child for at least 90 consecutive days.

6. Fiscal Impact Estimates are: Tentative

6a. Expenditure Impact: (see Section 8)

Item 324, Subprogram 44602

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02	\$0	0.0	GF
2001-02	\$0	0.0	NGF
2002-03	\$38,774	0.0	GF
2002-03	\$73,350	0.0	NGF
2003-04	\$108,987	0.0	GF
2003-04	\$205,731	0.0	NGF

6b. Revenue Impact: None

7. Budget amendment necessary: Yes, Item 324, Subprogram 44602

8. Fiscal implications:

Current policy permits parents or legal guardians to file applications for FAMIS on behalf of a child. Furthermore, parents or legal guardians are allowed to designate an authorized representative to act on their behalf and file an application for a child. If this bill passes, it would allow caretaker relatives, who are not sole custodians, legal guardians, or authorized representatives, to apply for FAMIS on behalf of a child.

While DMAS believes that this bill would increase the number of children enrolled in FAMIS, it admits that estimating the actual number would be difficult. Census data estimates that nationwide, approximately 2.6 million children (four percent of all children) live in households with no parent. Children living in foster care, who are already Medicaid eligible, account for 313,000 of these children, with a similar number living with non-relatives or by themselves. This leaves approximately 1.97 million children in other households without parents. Virginia's

population is approximately two percent of the total nation's, which translates into approximately 39,480 children.

Although many children in Virginia may have parents or legal guardians, the percentage of children living in or near poverty without parents is substantially higher than the overall average. In order for DMA's to adjust its estimate to account for the fact that many children have legal guardians or are still in contact with at least one parent, it has reduced its estimated population of children affected by this bill by approximately 75 percent to 9,870. Currently, approximately 2.05 percent of Virginia's children are enrolled in the FAMIS Plan. DMA's has applied this percentage to the estimated population of 9,870 to determine that an additional 234 children would enroll in FAMIS because of this bill.

Previous experience with eligibility expansion or adjustments has shown DMA's that increases in enrollment resulting from such changes occur over time. Therefore, DMA's assumes its estimate that it will take approximately a year and a half for increases in enrollment to fully phase in.

The agency estimates that the cost for the program is \$128 per month in FY2003 and \$139 per month in FY2004. This results in increased expenditures in the FAMIS program of \$112,124 (\$38,774 GF) in FY2003 and \$314,718 (\$108,987 GF) in FY2004.

9. Specific agency or political subdivisions affected: DMA's

10. Technical amendment necessary: No

11. Other comments: None

Date: 02/15/02/sas

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cc:Secretary of Health and Human Resources