

Department of Planning and Budget 2003 Fiscal Impact Statement

1. **Bill Number** HB2594

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Brink

3. **Committee** Health, Welfare & Institutions

4. **Title** Family Access to Medical Insurance Security Plan eligibility

5. **Summary/Purpose:**

This bill provides 12-month continuous eligibility for Family Access to Medical Insurance Security (FAMIS) Plan eligible children as permitted by Title XXI of the Social Security Act.

6. **Fiscal Impact Estimates are:** Preliminary

6a. Expenditure Impact: (see Section 8)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03	\$0	0.0	GF
2002-03	\$0	0.0	NGF
2003-04	\$1,700,889	0.0	GF
2003-04	\$3,171,323	0.0	NGF
2004-05	\$2,466,286	0.0	GF
2004-05	\$4,580,245	0.0	NGF

6b. Revenue Impact: None

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

8. **Fiscal implications:**

Under current FAMIS Plan policy, a family is required to report any changes in family circumstances that might affect the child's eligibility within 10 days of the change. If the change results in the child no longer meeting the FAMIS eligibility criteria, they are disenrolled from the program.

An analysis by the Department of Medical Assistance Services (DMAS) of the FAMIS eligibility files shows that approximately 35 percent of the children enrolled in the Plan are disenrolled from FAMIS within the first 12 months of their eligibility. However, this does not include those children who were enrolled in the Medicaid program or are re-enrolled in the FAMIS Plan later. Out of those disenrolled children, DMAS estimates that approximately 54 percent of the children were enrolled for more than six months and 46 percent were enrolled for less than six months.

Based on recent trends, DMS estimates that there are approximately 1,900 children being enrolled in the Plan each month. However, the net increase in FAMIS each month is actually lower due to children being disenrolled. In order to determine that fiscal impact, DMS assumed 1,900 new children each month with 35 percent of those children not being enrolled for a entire year under the current program. Applying the same percentage rates for disenrolled children as mentioned in the previous paragraph, DMS estimates that the resulting cost of this bill would be approximately \$4.8 million (\$1.7 million GF) in FY20 and \$7.0 million (\$2.5 million GF).

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In addition, the agency believes that this initiative may require some modification to its Medicaid Management Information System (MMIS). Currently, DMS is scheduled to implement its new MMIS by the beginning of FY2004. Due to its complexities in implementing a new system and the need to have the system certified and approved by the federal government, system modifications will be extremely limited during the first half of FY2004. Although not certain, the agency feels that this may be an impediment to implementing this bill in a timely manner.

9. Specific agency or political subdivisions affected: DMS

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/28/03/sas

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cc: Secretary of Health and Human Resources