

Department of Planning and Budget
2005 Fiscal Impact Statement

1. Bill Number SB742

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

2. Patron: Miller

3. Committee: Education and Health

4. Title: Medical assistance; employer information

5. Summary/Purpose: The bill requires applicants to report their employer's name when applying for Medicaid, the Family Access to Medical Insurance Security (FAMIS) program or the State and Local Hospitalization (SLH) program. The Department of Medical Assistance Services (DMAS) is then required to report to the Governor and General Assembly annually on the names of all employers with 25 or more employees, or their dependents, receiving public health benefits. The report is to contain the number of employees receiving health benefits and the cost of those benefits per employer.

The bill requires action from both applicants for Medicaid/FAMIS/SLH and from DMAS. Currently, applicants for such programs do report the names of their employers on the program applications and income is verified through pay stubs, statements from employers or electronic wage and income databases. Therefore, in practical application, the proposed legislation would not place an additional burden on most applicants. However, this bill also requires reporting employer information on persons responsible for providing "all or some of the beneficiary's support" (absent parents), which is not currently required.

6. Fiscal Impact Estimates are: Final.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2004-05	-	-	-
2005-06	\$30,800	-	GF
2005-06	\$92,400	-	NGF

7. Budget amendment necessary: Yes. Item 322.

8. Fiscal implications: The DMAS reporting requirement contained in the bill would have an impact on the agency. The current Virginia Medicaid Management Information System does not capture the employer name so a system modification would be required to produce a list of current enrollees and their employers.

The Department of Social Services (DSS), who determines Medicaid eligibility, will need to validate the data they send to DMAS, however DSS does not anticipate any significant costs associated with this requirement. Next, there will be a need to allow for multiple employers per enrollee with associated dates. Third, the first report will be needed by November 2005, so the system change will have to be done quickly.

It is estimated that 880 hours of systems development work will be needed to complete this project. Currently, the DMAS' contract for Information Management services has an hourly rate of \$140 per hour for systems development. This equates to \$123,200. This is funded at 75 percent by the federal government. The remaining 25 percent is funded through the general fund. DMAS does not anticipate any ongoing expenditures if this bill is passed.

9. Specific agency or political subdivisions affected: Department of Medical Assistance Services and the Department of Social Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/21/05 / mst

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cc: Secretary of Health and Human Resources