

Department of Planning and Budget

2006 Fiscal Impact Statement

1. Bill Number HB 1394

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Welch, John J. III

3. Committee Appropriations

4. Title Medical assistance services; implementation of online electronic and encrypted system

5. Summary/Purpose: Requires the development and implementation of an online electronic and appropriately encrypted system for recipient eligibility review and eligibility verification, with software designed to detect inaccuracies and to issue alert notices of potential changes in circumstances or program violations. An enactment clause authorizes the Director of the Department of Medical Assistance Services to design fail-safe mechanisms to ensure that no recipient is denied necessary medical or health care services because of technology deficiencies during the implementation of the online system.

6. Fiscal impact is preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	110,848	-	General Fund
2006-07	110,848	-	Federal Funds
2007-08	31,764	0.25	General Fund
2007-08	31,764	0.25	Federal Funds
2008-09	31,764	0.25	General Fund
2008-09	31,764	0.25	Federal Funds
2009-10	31,764	0.25	General Fund
2009-10	31,764	0.25	Federal Funds
2010-11	31,764	0.25	General Fund
2010-11	31,764	0.25	Federal Funds
2011-12	31,764	0.25	General Fund
2011-12	31,764	0.25	Federal Funds

7. Budget amendment necessary: Yes, Item 342.

8. Fiscal implications: The Department of Social Services has the responsibility of determining eligibility, for among others, the state Medicaid program. This bill would require changes to the department's eligibility determination system to automatically monitor certain functions. Development would take place in the first year using approximately two contractual positions and then programmer effort would be reduced to maintenance estimated at requiring 0.5 position of effort annually.

9. Specific agency or political subdivisions affected:

Department of Social Services

Department of Medical Assistance Services

Local departments of social services

10. Technical amendment necessary: No

11. Other comments: The usage of the system will require changes in local benefits administrative processes. However the financial impact on local staff functions could not be estimated because a reasonable basis for calculating the number client records that may eventually require a hands-on review could not be determined.

Date: 02/02/06

Document: G:\2006 Fiscal Year\2006 Ga Session\Efis 2006\Hb1394.Doc

cc: Secretary of Health and Human Resources
Secretary of Public Safety