

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** SB 995

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☒ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Blevins

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

**4. Title**            Medicaid eligibility for young adults transitioning from foster care

**5. Summary/Purpose:** The bill provides Medicaid eligibility for young adults aged 18-21 transitioning from foster care. Eligible children in this group would have been receiving foster care services on their 18th birthday and would be currently receiving independent living services through the local department of social services. The bill imposes no income limit for individuals receiving coverage through this group.

The bill includes a second enactment clause making the bill effective only if an appropriation from the general fund for the purposes of the bill is included in the general appropriations act passed by the 2007 Session of the General Assembly.

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

**Expenditure Impact:**

Medical Costs (Service Area 45610):

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2008               | \$1,450,978    | N/A              | GF          |
| 2008               | \$1,450,978    | N/A              | NGF         |
| 2009               | \$1,585,829    | N/A              | GF          |
| 2009               | \$1,585,829    | N/A              | NGF         |
| 2010               | \$1,575,335    | N/A              | GF          |
| 2010               | \$1,575,335    | N/A              | NGF         |
| 2011               | \$1,488,356    | N/A              | GF          |
| 2011               | \$1,488,356    | N/A              | NGF         |
| 2012               | \$1,393,474    | N/A              | GF          |
| 2012               | \$1,393,474    | N/A              | NGF         |
| 2013               | \$1,290,846    | N/A              | GF          |
| 2013               | \$1,290,846    | N/A              | NGF         |

Administrative Costs (Service Area 49901):

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2008-09            | \$47,775       | N/A              | GF          |
| 2008-09            | \$143,325      | N/A              | NGF         |

- 7. Budget amendment necessary:** Yes, for the bill to take effect. Item 302, Service Area 45610 and Item 307, Service Area 49901. In FY 2008, a total of \$1,498,753 (GF) and \$1,594,303 (NGF) is necessary.
- 8. Fiscal implications:** DMAS identified 1,393 foster care individuals aged 18-21 whose Medicaid eligibility was cancelled during FY 2006 but remained in state or local custody. DMAS determined that one-third of these individuals would continue to receive Medicaid services under the bill. This represents approximately 14 percent of the total FY 2006 age 18 through 21 foster care population (3,355 individuals).

The foster care population is grown in an incremental fashion by including an additional birth cohort (and excluding the earliest birth cohort) in each subsequent year. It should be noted that the population is based on FY 2006 birth cohort populations. To estimate the cost impact, DMAS calculated the average fee-for-service (FFS) cost per foster care individual (all foster care recipients are covered under fee-for service and not under managed care) aged 18-21 for FY 2006 and inflated this figure by seven annually to approximate health care cost inflation.

| <b>Fiscal Year</b> | <b>Projected Population</b> | <b>Expenditures (Total Funds)</b> |
|--------------------|-----------------------------|-----------------------------------|
| 2008               | 793                         | \$ 2,902,955                      |
| 2009               | 810                         | \$ 3,171,658                      |
| 2010               | 752                         | \$ 3,150,670                      |
| 2011               | 664                         | \$ 2,976,713                      |
| 2012               | 581                         | \$ 2,786,947                      |
| 2013               | 503                         | \$ 2,581,692                      |

The estimated impact of extending eligibility to this group would be \$2,902,955 in total funds (\$1,450,978 general fund) in FY 2008.

In addition, DMAS has calculated an estimated one-time administrative fiscal impact of \$191,100 (\$47,775 GF) in the first year for significant modifications to the Virginia Medicaid Management Information System (VaMMIS). This calculation represents the estimated cost to remediate changes to VaMMIS. This bill would require creation of a new aid category to identify the affected population. The estimate to complete this project is approximately 1470 hours which would be billed by DMAS' VaMMIS fiscal agent at a composite rate of \$130/hour. The 1470 hours includes work in areas of assessment, design, coding, testing, documentation, and management/post-implementation monitoring.

- 9. Specific agency or political subdivisions affected:** Department of Medical Assistance Services.
- 10. Technical amendment necessary:** No.
- 11. Other comments:** None.

**Date:** 02/7/07 / mst

**Document:** G:\Ga Sessions\2007 Session\Fis\SB995E.Doc  
cc: Secretary of Health and Human Resources