

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number HB 413

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron Griffith

3. Committee Health, Welfare and Institutions

4. Title Medical assistance services; increases amount disregarded from countable resources.

5. Summary: The bill amends the Code of Virginia relating to the State Plan for Medical Assistance. The bill requires that, in determining eligibility for Medicaid, the Department of Medical Assistance Services (DMAS) disregard funds an individual sets aside to meet burial expenses up to a maximum of \$5,000 for an individual and if married an additional \$5,000 for a spouse. This bill increases the current limit from \$3,500 to \$5,000 for each individual.

6. Fiscal Impact Estimates are: Final.

Expenditure Impact: (Item 306, Service Area 45609)

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	\$ 2,444,515	N/A	GF
2009	\$ 2,444,515	N/A	NGF
2010	\$ 2,423,861	N/A	GF
2010	\$ 2,423,861	N/A	NGF
2011	\$ 2,418,405	N/A	GF
2011	\$ 2,418,405	N/A	NGF
2012	\$ 2,416,963	N/A	GF
2012	\$ 2,416,963	N/A	NGF
2013	\$ 2,416,583	N/A	GF
2013	\$ 2,416,583	N/A	NGF
2014	\$ 2,416,482	N/A	GF
2014	\$ 2,416,482	N/A	NGF

7. Budget amendment necessary: Yes, Item 306, Service Area 45609.

8. Fiscal implications: The agency identified 4,568 Medicaid recipients over the age of 50 who would have been eligible for the increased burial expenses disregard during FY 2007. DMAS estimates that approximately 80 percent (3,654 Medicaid recipients) would make use of the burial expenses disregard.

DMAS' population forecasts project that the affected Medicaid populations will continue to decrease each year. Therefore, the base figure for estimating the fiscal impact in FY 2009 is 3,259. In subsequent years, the population is trended as illustrated in the table below:

Fiscal Year	Population Growth Rate	Projected Population	Expenditures (Total Funds)
2009	-3.0%	3,259	\$4,889,031
2010	-0.8%	3,232	\$4,847,722
2011	-0.2%	3,225	\$4,836,809
2012	-0.1%	3,223	\$4,833,927
2013	0.0%	3,222	\$4,833,165
2014	0.0%	3,222	\$4,832,964

Assuming that each new recipient, on average, would shelter an additional \$1,500 (some would shelter an additional \$3,000 while others would lack any available funds) this would result in approximately \$4,889,031 (total funds FY 2009) in sheltered resources that would otherwise be spent on medical needs in order to qualify for Medicaid benefits. Since Medicaid funds would be used to replace these expenditures, the estimated impact for FY 2009 would be \$2,444,515 general fund. Enrollment in the population affected by this bill has been declining slightly in recent years and that trend is expected to continue.

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

10. Technical amendment necessary: None.

11. Other comments: No.

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cc: Secretary of Health and Human Resources