

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB 773

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|------------------------|--|-------------------------------------|------------------------------------|
| House of Origin | <input checked="" type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input type="checkbox"/> Enrolled |

2. Patron: Dunnavant, Siobhan S.

3. Committee: Education and Health

4. Title: Medical Assistance Services, Department of; asset location and recovery

5. Summary: The proposed legislation directs the Department of Medical Assistance Services (DMAS) to contract with a vendor for location and recovery of unreported assets of deceased Medicaid recipients.

6. Budget Amendment Necessary: No

7. Fiscal Impact Cannot Be Determined (See Item 8)

8. Fiscal Implications: There is insufficient data to estimate the amount of unreported assets of deceased Medicaid recipients that are potentially recoverable in the Commonwealth. Therefore, the magnitude of potential costs and savings cannot be determined. However, DMAS indicates that this bill would likely generate savings and the agency has historically used a 2-to-1 ratio (recovery-to-cost) when performing similar recovery estimates. It is assumed that DMAS would use a contingency fee based (typically 30 percent) contract to procure the services of a vendor to perform the location and recovery efforts required in the bill. Such an approach would have no cost to the Commonwealth until such time recovery revenue is generated.

9. Specific Agency or Political Subdivisions Affected:
Department of Medical Assistance Services

10. Technical Amendment Necessary: None. The Department of Medical Assistance Services has received legal clarification and no longer has any technical concerns with the proposal.

11. Other Comments: None

Date: 2/3/16