

Department of Planning and Budget 2008 Fiscal Impact Statement

1. **Bill Number** HB98

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

2. **Patron** Purkey

3. **Committee** Appropriations

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

5. **Summary/Purpose:** This bill requires an amendment to the State Plan for Medical Assistance Services by requiring Medicaid to cover children ages 18-21 transitioning out of 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.

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

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2009	\$792,056	N/A	GF
2009	\$887,606	N/A	NGF
2010	\$792,749	N/A	GF
2010	\$792,749	N/A	NGF
2011	\$844,354	N/A	GF
2011	\$844,354	N/A	NGF
2012	\$899,298	N/A	GF
2012	\$899,298	N/A	NGF
2013	\$957,795	N/A	GF
2013	\$957,795	N/A	NGF
2014	\$1,020,074	N/A	GF
2014	\$1,020,074	N/A	NGF

7. **Budget amendment necessary:** Yes, Item 306, Service Area 45610 and Item 311, Service Area 49901.

- 8. Fiscal implications:** The Department of Medical Assistance Services (DMAS) identified 410 foster care individuals aged 18-21 whose Medicaid eligibility was cancelled during FY 2007 who would have remained eligible for Medicaid services under the current proposal.

In order to estimate the cost impact, DMAS calculated the average fee-for-service (FFS) cost excluding expenditures for inpatient residential services per foster care individual aged 18-21 for FY 2007 and inflated this figure by six percent annually to approximate health care cost inflation.

Fiscal Year	Projected Population	Expenditures (Total Funds)
2009	414	\$ 1,488,562
2010	416	\$ 1,585,498
2011	418	\$ 1,688,708
2012	420	\$ 1,798,595
2013	422	\$ 1,915,589
2014	424	\$ 2,040,148

The estimated impact of extending eligibility to this group would be \$1,488,562 in total funds (\$744,281 GF) in FY 2009.

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 implement 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:** There are a number of pending bills that address the provision of independent living services, and if passed, could impact the fiscal impact of this proposed bill. As of this date, those bills include HB149, HB813, HB1141, HB1321, SB249, and SB250.

Date: 1/14/08 / mst

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cc: Secretary of Health and Human Resources