

## **Department of Planning and Budget 2014 Fiscal Impact Statement**

**1. Bill Number:** HB 586

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

**2. Patron:** O'Bannon

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

**4. Title:** Family Access to Medical Insurance Security Plan; waiting period for eligibility

**5. Summary:** This bill, as amended, eliminates the four-month requirement that an individual must be without insurance in order to be eligible for the Family Access to Medical Insurance Security program (FAMIS). It also contains an enactment clause that provides authority for the Department of Medical Assistance Services to promulgate emergency regulations to implement the bill.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Minimal.

**8. Fiscal Implications:** This bill would have minimal fiscal impact on the state. New federal rules prohibit the imposition of a waiting period of more than 90 days for eligible applicants. Therefore, the state is required to already reduce the waiting list to 90 days. However, since the waiting period is seldom enforced due to numerous federal mandatory exceptions for which nearly every eligible applicant meets, this bill's elimination of the waiting period altogether would have minimal impact. According to the Department of Medical Assistance Services approximately 30 individuals a year would gain FAMIS coverage earlier in the absence of a waiting period. The agency estimates this bill would potentially generate additional costs to FAMIS of about \$17,000 a year (\$6,000 general fund). This amount is minimal in the context of the overall FAMIS program, which has a budget of \$172 million for FY 2014. The impact of this change on future expenditure forecasts for the program would be negligible and therefore no budget amendment is necessary.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** SB 416, introduced by Senator Hanger, is a companion bill.