

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: SB 775

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

2. Patron: Dunnavant, Siobhan S.

3. Committee: Health Welfare and Institutions

4. Title: DMAS; Medicaid eligibility and application

5. Summary: The substitute bill requires Medicaid eligibility workers to verify income, using currently available Virginia Employment Commission data, for applicants and recipients who report no earned or unearned income. The Department of Medical Assistance Services (DMAS) must also, at the earliest date feasible but no later than October 1, 2017, require all Medicaid eligibility workers to apply the same protocols when verifying income for all applicants and recipients, including those who report no earned or unearned income. In addition, the bill requires DMAS to amend the Virginia Medicaid application, after obtaining approval from the Centers for Medicare and Medicaid Services, to require a Medicaid applicant to opt out if such applicant does not want to grant permission to the state to use his federal tax returns for the purposes of renewing eligibility.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	-	-	-
2017	\$49,538	-	General
	\$445,842		Federal
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-

8. Fiscal Implications: Based on the bill's requirements, it is assumed that individuals who report no income will be verified through the Commonwealth's case management system (VaCMS). Therefore, implementing this legislation would require system changes to the VaCMS as well as the CommonHelp online portal. VaCMS would need additional verification requirements for zero income Medicaid applicants and the Medicaid application in CommonHelp would have to be modified to accommodate any new language on the application. The system modifications and corresponding charges would occur in FY 2017,

allowing automated income checking to be available by October 1, 2017. The Department of Social Services (DSS) requested and received an estimate of \$495,380 from the current system vendor to enhance VaCMS to electronically verify income for all applicants, even if the clients have not reported income. It is assumed that, based on Virginia's Federal Medical Assistance Percentage, that federal revenue would cover 90 percent of this expense.

The Department of Medical Assistance Services maintains that while some of the requirements of this bill may prevent applicants with too much income or assets from being found eligible for Medicaid; and thereby result in savings over time, it is not possible at this time to determine the amount of such savings.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services

Local Department of Social Services

Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/17/16