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## FISCAL IMPACT REPORT

SPONSOR: Cravens DATE TYPED: 03/12/01 HB \_\_\_\_\_  
 SHORT TITLE: Nonreversion of Medicaid Appropriations SB 811  
 ANALYST: Taylor

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

Duplicates HB 868

### SOURCES OF INFORMATION

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 811 would make appropriations to the Human Services Department for Medicaid payments non-reverting. The non-reverted funds would be used for appropriations in the next year.

### FISCAL IMPLICATIONS

There is no immediate fiscal impact as the Medicaid program will be needing supplemental appropriations for FY01, FY00 and prior years.

### ADMINISTRATIVE IMPLICATIONS

The department writes that the bill would allow it to process payments for bills incurred in prior year budgets without having to wait for deficiency appropriations. However, the bill states that the balances are to be used for payments in future years. Also, the general appropriations acts working through the legislature contain money in the appropriations contingency fund to cover Medicaid budget shortfalls.

### SIGNIFICANT ISSUES

Allowing agencies to retain cash balances reduces budget process transparency. Budget analysts will have to guess at how large balances will be and recommend appropriating budget need net of estimated balances. Agencies have an incentive to understate estimated balances.

BT/ar