

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Robinson DATE TYPED: 03/10/01 HB _____
 SHORT TITLE: Hire Medicaid Eligibility Workers at Clinics SB 748
 ANALYST: Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 130.0		See Text		

Relates to: HB 2

SOURCES OF INFORMATION

Human Services Department (HSD)
 Health Policy Commission (HPC)

SUMMARY

Senate Bill 748 appropriate \$130 thousand from the general fund to the Human Services Department for the purpose of providing the state’s share of cost for hiring fifty-two new full-time equivalent employees to conduct outreach, education and enrollment of children and adults for the state’s Medicaid and State Child Health Insurance programs at primary care health clinics throughout the state. The department is required to match federal funds available for this purpose through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

FISCAL IMPLICATIONS

Senate Bill 748 appropriates \$130.0 from the general fund; any unexpended or unencumbered balances remaining at the end of FY02 revert to the general fund.

HSD reports that federal Medicaid de-linking funds could be used to match the appropriated state funds. The federal match is 90 percent, thus a total of \$1.3 million would be available to fund the outreach, education and enrollment efforts. The department says that the cost per staff person, including salary, benefits and associated start-up costs would be \$36,500. Thus, the cost for 52 positions would be \$1,898. The department does not report how it determined the average cost per position. Filling the positions at lower skill levels (if appropriate) could significantly reduce the cost.

ADMINISTRATIVE IMPLICATIONS

HSD reports that it had planned on using the de-linking money for other purposes, and using it for the purposes of this bill may cause the department to pull-back from other planned activities. It does not say what those other activities are; so, it is difficult to weigh the alternative merits for the different uses of the money.

OTHER SUBSTANTIVE ISSUES

Assuming the outreach and enrollment efforts are successful, the program will impact the Medicaid budget. The average cost of enrolling a person in managed care is \$3,120 per year in total (\$811, or 26 percent, is the state's share of the cost). The fiscal impact from these efforts could be significant.

BT/sb