

Fiscal Estimate Narratives

DHFS 12/1/2003

LRB Number	03-0876/1	Introduction Number	AB-129	Estimate Type	Original
Subject					
Calculating farm and self-employment income for MA and BadgerCare					

Assumptions Used in Arriving at Fiscal Estimate

Currently, when calculating an individual's income for the Medical Assistance or BadgerCare program, if the individual has farm or self employment income, DHFS calculates the amount of that income by adding the amount that the individual claimed for depreciation to the amount of the individual's net taxable income. This bill prohibits the Department from adding any amounts claimed for depreciation to an individual's net taxable or self employment income for purposes of determining MA or BadgerCare eligibility.

Based on 2001 tax revenue data, it is estimated that 34,353 additional individuals will be eligible for Medical Assistance and BadgerCare under the proposed bill. Department staff estimates that 10,305, or 30%, of new eligible individuals will choose to enroll in the programs. As a result, it is estimated that once fully implemented AB 129 will increase Medical Assistance and BadgerCare benefit costs by \$19,893,500 AF (\$7,786,400 GPR) annually. Assuming an effective date of July 1, 2003, a three-month implementation period, and twelve months to reach the full enrollment, AB 166 will increase Medical Assistance and BadgerCare benefit expenses by \$5,859,400 AF (\$2,298,700 GPR) in FY04 and \$19,479,100 AF (\$7,641,800 GPR) in FY05.

The provision will require the Department to evaluate the eligibility of approximately 2,630 new cases. The estimated per case annual cost for administration of eligibility functions is approximately \$185 AF. As a result, it is estimated that once fully implemented AB 129 will increase Medical Assistance and BadgerCare administrative costs by \$486,300 AF (\$243,200 GPR) annually. Assuming an effective date of July 1, 2003, a three-month implementation period, and twelve months to reach the full enrollment, AB 129 will increase Medical Assistance and BadgerCare benefit expenses by \$149,000 AF (\$68,300 GPR) in FY04 and \$471,600 AF (\$216,100 GPR) in FY05. In addition, the department will require one time funding of \$100,000 AF (\$45,800 GPR) in FY04 to change the Client Assistance for Re-employment and Economic Support (CARES) system.

Implementation of this proposal would be contingent upon federal approval of a state plan amendment.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The Department will require one-time funding of \$100,000 AF (\$45,820 GPR) in FY04 to change the Client Assistance for Re-employment and Economic Support (CARES) system.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance	486,300		
Aids to Individuals or Organizations	19,893,500		
TOTAL State Costs by Category	\$20,379,800		\$
B. State Costs by Source of Funds			
GPR	8,009,300		
FED	12,308,900		
PRO/PRS	61,600		
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$20,379,800	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DHFS/ Curtis Cunningham (608) 266-5362		Fredi Ellen Bove (608) 266-2907	12/1/2003