

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

| | | |
|---|---|-------------|
| LRB Number 07-3898/1 | Introduction Number AB-0852 | |
| Description A Medical Assistance family planning demonstration project minimum age eligibility limitation change | | |
| Fiscal Effect | | |
| State: | | |
| <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs | | |
| Local: | | |
| <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts | | |
| Fund Sources Affected | Affected Ch. 20 Appropriations | |
| <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | | |
| Agency/Prepared By | Authorized Signature | Date |
| DHFS/ Ellen Hadidian (608) 266-8155 | Andy Forsaith (608) 266-7684 | 3/25/2008 |

Fiscal Estimate Narratives
DHFS 3/25/2008

| | | |
|--|------------------------------------|-------------------------------|
| LRB Number 07-3898/1 | Introduction Number AB-0852 | Estimate Type Original |
| Description A Medical Assistance family planning demonstration project minimum age eligibility limitation change | | |

Assumptions Used in Arriving at Fiscal Estimate

The Department received approval in 2002 to implement the Family Planning waiver, a demonstration project under the Medical Assistance (MA) program. The waiver allows the Department to provide family planning services to women aged 15 to 44 whose family incomes do not exceed 185% of the appropriate federal poverty standard. The Family Planning waiver was first in effect for the period between January 2003 and December 2007. The waiver was renewed for a five year period starting in January 2008.

Under this waiver, the Department is demonstrating that by providing MA family planning services to individuals who would not normally qualify for MA, either because they do not have children or because their income is too high for MA, the growth in Medicaid births will be slowed. Although under the waiver there will be an increase in family planning costs, which are funded 15% GPR and 85% FED, this cost increase will be offset by a savings in MA costs, which are funded approximately 40% GPR and 60% FED, as fewer Medicaid births occur. The waiver is expected to demonstrate that there will be no cost to MA as a result of the increase in family planning expenditures and that, in fact, there will be a net savings to MA over the period of the waiver because of reduced MA births.

Under this bill, the lowest age at which an individual would qualify for services under the waiver would be 18 rather than 15.

Data from the Annual Report to the federal government released in January 2008 indicate that the Medicaid birth rate for waiver participants between 15 and 19 years old was reduced from 91.9 in 2000 to 3.72 in 2004 to 1.77 in 2006, the last year for which the Department has complete information. Based on this information, the Department estimates Medicaid savings for the 15 to 17 year-old age group to be \$23,282,900 (\$11,197,300 GPR and \$12,085,600 FED) over the five-year period of the original waiver. Delivery costs and subsequent MA-related health care costs will decline as the number of MA-eligible children born to this age group declines. There will be additional costs to the state in the form of MA family planning costs, but these will be more than offset by the savings. Average annual net savings to the state associated with this age group as a result of this waiver are estimated to be \$6,290,700 AF (\$3,013,200 GPR and \$3,277,500 FED). If the minimum age at which an individual is eligible for family planning services under this waiver is raised to 18, these projected savings will not occur. Therefore, this bill will increase MA costs by \$3,013,200 GPR and \$3,277,500 FED per year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|--|--------------------|--|-----------------|
| LRB Number 07-3898/1 | | Introduction Number AB-0852 | |
| Description A Medical Assistance family planning demonstration project minimum age eligibility limitation change | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| 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 | | | |
| Aids to Individuals or Organizations | 6,290,700 | | |
| TOTAL State Costs by Category | \$6,290,700 | \$ | |
| B. State Costs by Source of Funds | | | |
| GPR | 3,013,200 | | |
| FED | 3,277,500 | | |
| PRO/PRS | | | |
| 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 | | | |
| | State | Local | |
| NET CHANGE IN COSTS | \$6,290,700 | \$ | |
| NET CHANGE IN REVENUE | \$ | \$ | |
| Agency/Prepared By | | | |
| DHFS/ Ellen Hadidian (608) 266-8155 | | Authorized Signature | |
| | | Andy Forsaith (608) 266-7684 | |
| | | | Date |
| | | | 3/25/2008 |