

Fiscal Estimate Narratives

DHS 2/16/2012

LRB Number 11-3509/1	Introduction Number AB-0409	Estimate Type Original
Description Notice of eligibility and benefit changes in Medical Assistance		

Assumptions Used in Arriving at Fiscal Estimate

This bill would require the Department of Health Services to notify BadgerCare Plus and Medicaid participants 60 days in advance of the implementation of changes that would affect program eligibility or program benefits.

The Department interprets this bill to mean that the notification would be required for policy changes which would result in the possibility of a different eligibility determination being made for an individual or the addition or deletion of benefits. However, the bill does not define "change". Costs under this bill could increase significantly if the bill were more strictly interpreted to refer to any change in eligibility determination or benefits, including process changes that do not affect eligibility. Examples of process changes could include the Department's annual update to income eligibility levels to reflect new federal poverty guidelines or the implementation of a data match not used at the time of a person's initial eligibility determination.

The annual cost for complying with the bill's requirements would depend on the number of notices sent per year. Each change that required a notice to all Medicaid and BadgerCare Plus members would cost approximately \$175,000 AF (\$87,500 GPR) for printing and mailing costs. These costs would be in addition to current expenses for mandatory program notices that alert participants to a change in their benefits or eligibility if there is a change in their household composition or income.

Long-Range Fiscal Implications