

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-3564/1</b>	<b>Introduction Number</b> <b>SB-308</b>
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**Subject**  
 Medical Assistance family planning demonstration project eligibility change, effective 7/1/04

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		<b>5. Types of Local Government Units Affected</b> <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
<input checked="" 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	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DHFS/ Ellen Hadidian (608) 266-8155	<b>Authorized Signature</b> Freda Ellen Bove (608) 266-2907	<b>Date</b> 2/10/2004
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## Fiscal Estimate Narratives

DHFS 2/10/2004

LRB Number	03-3564/1	Introduction Number	SB-308	Estimate Type	Original
<b>Subject</b>					
Medical Assistance family planning demonstration project eligibility change, effective 7/1/04					

### Assumptions Used in Arriving at Fiscal Estimate

The Department has received approval 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 waiver is in effect for a five year period. The Department began implementation of the waiver in January 2003.

Under this waiver, the Department expects to demonstrate 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 five-year 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.

The Department has projected Medicaid savings for the 15 to 17 year old age group to be \$12,689,500 AF (\$11,520,900 GPR and \$1,168,600 FED) over the five-year period of the 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 offset by the savings. Average annual savings to the state over a five-year period as a result of this waiver are estimated at \$2,537,900 AF (\$2,304,200 GPR and \$233,700 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.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 03-3564/1		<b>Introduction Number</b> SB-308	
<b>Subject</b>			
Medical Assistance family planning demonstration project eligibility change, effective 7/1/04			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	2,537,900		
<b>TOTAL State Costs by Category</b>	<b>\$2,537,900</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	2,304,200		
FED	233,700		
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$2,537,900		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHFS/ Ellen Hadidian (608) 266-8155		Freda Ellen Bove (608) 266-2907	2/10/2004