

Fiscal Estimate Narratives

DHS 11/15/2011

LRB Number	11-1861/1	Introduction Number	SB-078	Estimate Type	Original
Description Waiver for prescription drug assistance for elderly program, use of excess moneys in prescription drug assistance for elderly program, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department pays SeniorCare benefit and administrative costs using GPR, PR and Federal matching funds, when available. This bill would require the Department to use any remaining GPR and PR funding, after all current obligations are met to: 1) reduce participant enrollment costs and deductibles and 2) increase the number of drugs available to SeniorCare participants. This bill would not increase the appropriations for SeniorCare; therefore the state would not incur expenditures above current appropriated amounts. However, this bill precludes the possibility of lapses to the general fund from the SeniorCare appropriations because it requires full use of the funds by the Department.

The amount of funding that would remain after meeting all SeniorCare obligations in any given year is not known. This amount, if any, depends upon the amount of variation between budget assumptions of caseload, drug costs, and drug rebates and actual amounts experienced over the course of the biennium.

If a balance would occur in SeniorCare GPR and PR appropriations, the Department would incur administrative costs for analysis and to make system changes to participant cost share obligations or increase the number of covered drugs. It is expected that system changes would cost approximately \$250,000 AF (\$125,000 GPR) each year there was an appropriation balance.

The Department would need to request a waiver amendment from the Federal Centers for Medicaid and Medicare Services prior to the current waiver expiration date of December 31, 2012, in order to implement provisions of this bill related to changes in cost share.

Finally, this bill requires the Department to submit a waiver request to continue the SeniorCare program upon expiration of the current waiver. Administrative costs associated with the submission of the request would be absorbed within the Department's current administrative budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Waiver for prescription drug assistance for elderly program, use of excess moneys in prescription drug assistance for elderly program, and making an appropriation		
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	250,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$250,000	\$
B. State Costs by Source of Funds		
GPR	125,000	
FED	125,000	
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, etc.)		
	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	\$250,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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